

An Inventory of  
Kentucky



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of

The Courier-Journal and The Louisville Times



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*This is a connected series of articles on the fiscal affairs of the Commonwealth of Kentucky, the origin and the growth of the State debt. It has no purpose other than to enlighten the people of Kentucky; to show them what a great and complicated organization their State Government is, the condition it is in and the system under which this condition has been brought about. It is not published to promote the candidacy of any particular individual for the Chief Magistracy of the Commonwealth, neither is it designed to thwart the honorable ambition of anyone to sit at the head of government; but it is the deliberate intent of the publisher to acquaint the voters with the importance and responsibilities of the office of Governor of Kentucky, and the character of man the position demands.*

*Kentucky will be looking for a new Governor next year, and if this resume of recent history aids the people in selecting the right kind of executive, its whole object will have been achieved.*



# An Inventory of Kentucky

## CHAPTER I.

### THE SYSTEM.

The Kentucky State Treasury on June 30 observed the fourteenth anniversary of the State's floating debt, with a gross total of \$5,052,940.68 in outstanding 5 per cent warrants.

The date is the end of the fiscal year, the last before the next State campaign casts its shadow across the business of government. It is six months past the meridian of the fourth administration that has dealt with the deficit. State revenues for the next two years are estimated at \$12,500,000 annually, of which all but \$1,000,000 each year is appropriated to regular budget expenditures. There are prospects of large receipts from the Harkness estate and Bingham inheritance tax cases, pending in court. Should the estimates prove correct, the debt might be cut down appreciably by the end of the present administration as it was at the end of the last.

The healthiest sign yet shown in State finances was the retirement this month of the last of the school warrants, which have been taking their interest toll out of the money for teachers' salaries since 1918, although the State Treasurer has not allowed the school fund the interest on its daily balances.

#### The Full Liability.

This relief to the school fund, however, bears little relation to the general financial condition of the Commonwealth; nor does the floating debt comprehend the whole of Kentucky's embarrassment and the taxpayers' liabilities.

Back in 1896 the schools were allotted so large a share of the tax rate that as revenues have increased that fund has grown out of proportion to the others; and so, by holding the per capita apportionment at the same

level for three years the increased revenues have been allowed to gradually overtake the deficit. June 30, 1923, should find a balance to the credit of the school fund sufficient to meet the first installment in September—unless the old practice of raising the per capita just before election is resorted to.

The road fund still owes the counties approximately \$3,000,000 for State aid advancements, which are being paid off at the rate of \$500,000 the year; and inescapable liabilities of taxpayers, that must be faced, include the immediate necessity for the rehabilitation of the State's charitable and penal institutions, the erection of a prison for women, a girls' industrial school and colony for pauper idiots, and the expansion of the plants of the University and Normal Schools. This all is estimated at \$16,000,000, to equip them adequately, besides increased annual maintenance for higher education and the support of the two new normal schools, the last of which can't cost much less than \$500,000. Taxpayers may reckon as they please on financing the projected state highway system.

#### Business of Government.

No business, checking up its financial status, could leave out of consideration expenditures necessary for replacements, repairs, expansion and adequate maintenance, and hope to survive. A going concern is not one which presents the sole possibility of liquidating at par. The designation suggests growth and the idea of expansion. There are aspects of state government which bear a close resemblance to big business in this respect.

As the population increases in num-



bers and density, life becomes more complex, natural resources grow more valuable, and new problems arise, which must be solved by the people as a State and at an increasing expenditure. The expenditure cannot be avoided, as will be shown, and the neglect of the State's plants and of its opportunities to develop wealth to share in its support, and the failure to adopt and hold to a consistent policy, shaping all its executive activities to the definite end of the "greatest good to the greatest number," parallel the progress of a business concern toward insolvency.

The purpose of this article is to lay the foundation for the history of the period covered by the state debt, the system, which has prevailed in the State's government, and the problems which confront Kentuckians as citizens and taxpayers.

No better place to start can be found than with the observation of Kentucky's natural possibilities, contained in the Kentucky School Survey report of 1921.

#### State's Potential Wealth.

To quote the report:

Physically the State is highly favored. Of its 40,000 square miles, 10,000 are surpassed in fertility by no other land in America or in Europe; 22,000 acres more are excellent. It is doubtful if an equally good showing can be made for any other State in the Mississippi Valley. The eastern coal district, somewhat less valuable than that of Pennsylvania, is exceeded in value by that of no other State. The deposits of iron ore are outranked only by those of five or six other States. Not the niggardliness of nature, but the mischance of history holds the State back.

An early aristocratic social system, the stigmatism of manual toil, commercial activities requiring little capital and giving little employment or outlook to white labor, the report says, caused immigration to pass Kentucky by and leave the coal and iron untouched beneath the surface, where all the iron and most of the coal remain.

Even today the conservatism of the State discourages well-trained, progressive and adventurous youth. The handicaps under which Kentucky suffers and has suffered are

man-made and can be removed by men.

Poor education is the inevitable result of the conditions described.

Political leaders were not thinking of a whole State peopled by a vigorous and industrious race, armed with the power of knowledge. An excellent Anglo-Saxon stock thus largely lost, as far as public education is concerned, the first century of its history. Public education got but a feeble start; higher education, until recently well-nigh ignored by the State, was provided by a few small colleges. The general level of education was low, and an ill-educated population neither desires education keenly, nor does it produce wealth needed to support the schools on which the hope of better things depends. Thus social sluggishness accounts for the defects of the school system; and an inferior school system prolongs the period of social and industrial inertia.

That is the word of the highest authority in the world.

#### Businesslike Survey.

This survey was made by the General Education Board, a Rockefeller Foundation. The greatest practical business genius of the century has devoted his benevolence to the cause of education, which addresses itself to his practical mind as the most practical outlay. In his benevolences Rockefeller demands results just as he does in his business ventures, and an organization handles his millions expended on education with the same keen foresight that the Standard Oil properties are managed. His money goes only where circumstances and conditions promise the best results for the expenditure, and the expenditure is always enough and never extravagant.

The Kentucky Survey was made under the direction of a man, who taught for two years in a one-room school, worked his way through college, and was graduated with honors at Columbia. He served as assistant superintendent of schools in Cleveland and in the same capacity in the school system of Greater New York, where his duties were to make up and handle the school budget. He has surveyed educational systems in all sections of the United States.

These quotations were taken from the introductory chapter of the Sur-



vey report. Not only do they reveal the scholarly mind seeking out historical causes as well as superficial facts before proposing a remedy, but by their position they reveal the practical mind regarding education in its relation to material prosperity. In that very practical matter of taxation it attaches to the responsibility of a highly organized state to encourage new sources of wealth so as to distribute the public load.

#### **Supported By Fact.**

Measured by actualities, undoubtedly Kentucky has suffered from emigration of fine minds and trained talent. Kentucky is one of the most highly favored states in the extent and diversity of its mineral resources, and one of the most backward in development. The Director of the Geological Survey, after the best experts in gas, shale, glass sands, building stones and marble, fluorspar, and clays had made reconnaissance surveys, declared that there ought not be a pauper county in Kentucky; that those dependent on the State for support of their schools and courts contain the greatest potential wealth.

The State is only 40 per cent mapped, geologically, and a large portion of that early work, done on too large a scale, must be done over. The State is much less than 40 per cent developed. Another half century must pass at the present rate of progress before the mapping is completed. It contrasts in development with Ohio and West Virginia, neither so naturally endowed, but both completely mapped, and with Virginia and Tennessee, now nearing completion.

Mapping must precede systematic, economical development. Oil production in Kentucky, excepting where a concern has the means to employ its own geologist at approximately \$100 a day and expenses, is pure "wild-catting," because the State Survey cannot keep ahead of prospectors. Many persons have been in Kentucky in the last twelve months to inquire of the Geological Survey about rock asphalt, which underlies a dozen unmapped counties. A reconnaissance disclosed twenty-two different kinds of rare and beautiful marbles being

quarried as limestone for railroad ballast and road surfaces. A private enterprise with a core drill found vast deposits of iron ore in four unmapped pauper counties.

#### **In Nature's Storehouse.**

One of the poorest counties in the State contains ledges of fire clay thirty-five feet thick. The finest quality of glass sands and the biggest gas structure in Kentucky were found in proximity in another county. Pottery clay extends from one end of the State to another; building stone, oil and gas are scattered far and wide; and a recent survey of the whole country, conducted by the Government and steel industry, reported that the fluorspar reserve of the United States, a necessity of the steel industry and basis of the most potent poison gas, is in Livingston and Crittenden Counties, where the mineral had to be hauled over mud roads for miles during the crucial year of the World War.

This may serve to illustrate the relation of educational neglect to material prosperity and consequent heaping of increased taxation on property already burdened with it.

The study of mental disorders and criminology, methods of treatment, prevention and restoration, have progressed rapidly and extensively since Kentucky finished its building programme a half century ago. These things bear their intimate relationship to the expense of government, protection of life and property and production of wealth. Only within the last two years has a board of devoted and unsalaried citizens been allowed, with inadequate funds and equipment and unsatisfactory plants, archaic, ill-arranged, run-down and expensive to operate, to apply modern methods and skill to the problem, not only of restraining Kentucky's criminal and insane, but of reducing crime and insanity to a minimum. Over 2,000 fecked pauper idiots are loose on society.

#### **Education and Politics.**

A low level of education has its effect on politics. The Educational Survey report begins its first para-



graph with a quotation from James Madison:

**A popular government without popular information, or the means of acquiring it, is but the prologue to a farce or a tragedy, or probably both. A people who mean to be their own government must arm themselves with the power that knowledge gives.**

It implies that the ignorant man is prey to the demagogue and his own prejudices. The well-educated man casts no more votes than the ignorant; the intelligent no more than the dull. Everyone of the proper age, not convicted of a crime or legally declared an idiot or insane, has equal voice in elections with every other voter.

A low level of education, industrial backwardness and political demagogy may react upon one another. If so, some relationship may be established between neglect of popular education, burdensome taxes and existing political systems. The latter has received much public attention the last few years. There is authority in Kentucky for the charge of political evils.

Gov. A. O. Stanley, in the campaign of 1915, quoting Elihu Root, discussed the "Invisible Government" at length; Governor Morrow, coming after him, called it "The System."

#### **Stanley's Bowling Green Speech.**

In his opening speech at Bowling Green, September 3, 1915, Governor Stanley said:

"On the 31st day of August, 1915, the Democracy of Kentucky in convention assembled, re-dedicated itself to the service of the people and the faith of the fathers by adopting, without a dissenting voice, a platform specifically pledging its nominees to the highest service of the Commonwealth. Not the least important of its covenants was an unequivocal pledge to stubbornly oppose that most insidious foe to every righteous reform—"invisible government." On the same day the Convention of the State of New York heard from the lips of its president, Elihu Root, a most startling declaration, the most surprising when you consider the previous political alignments of the speaker and the character of his auditors.

"What is," said Mr. Root, 'the government of this State, the government of the constitution? Oh, no—not half the time or halfway.

The government of the State has presented two different lines of activity, one of the constitutional and statutory officers of the State, and the other—they call themselves party bosses—the system they call invisible government.

"The ruler of the State during the greater part of the forty years of my acquaintance with the State government has not been any man authorized by the Constitution or by the law.

"The invisible government proceeds to build up and maintain its power by a reversal of the fundamental principle of good government. The one, the true one, looks upon appointment to office with a view to the service that can be given to the public. The other, the fake one, looks upon appointment to office with a view to what he can get out of it."

"Were all its selfish and sinister purposes, all its secret operations, all its multitudinous misdeeds exposed in their naked hideousness to the view of honest men, they would recoil in disgust and horror from this modern and monstrous perversion of popular government.

"Every public servant, all political organizations have displayed a morbid ingenuity in their efforts to secure the approval of an unsuspecting public by glittering generalities and meaningless platitudes, while filling their slush funds from its inexhaustible coffers. An alert and discerning public demands not high-sounding professions of party loyalty, but it demands explicit promises, the adoption of concrete reforms and the remedy of known abuses.

"There is an endless conflict between the advocates of honest government and these emissaries of plunder and privilege, who come to party leaders like Nicodemus by night, insisting upon silence and a covert understanding.

"The Democracy of Kentucky, pure and undefiled, has in convention declared war upon this monstrous thing—"invisible government." Elihu Root, on the same day in the very citadel of privilege and plunder admitted:

"Both parties are alike; all parties are alike. The system extends through all."

"In Kentucky I have, without regard to its effect upon my own political future or upon any political party, without regard to friend or foe, Democrat or Republican, declared and now maintain war to the knife and the knife to the hilt against the emissaries of 'invisible government.'

"I have never sought the suffrage of the people of Kentucky without formally reasserting my fixed and



unalterable opposition to those influences which have too often made constitutional government a mockery and a sham, and constitutional officers, not the servants of the people, but the tools and pawns of special interest. In a letter addressed to the public Dec. 29, 1912, I declared:

"On January 17, last, in announcing my candidacy for Governor, I declared I unwillingly surrendered a seat in Congress to fight above all else that most insidious and abominable menace to the liberties and property rights of a free people — 'invisible government' — powers nominally vested in benevolent and respectable figures, actually exercised by the covert and cunning emissaries and every favor-seeking and tax-dodging interest fortunate enough to have a friend at court. If elected Governor of Kentucky, I solemnly and earnestly pledge the people of the Commonwealth here and now that I will turn the calcium light upon the lobbyist and upon all who seek to secure positions or honor or privilege by any secret or unholy alliance with him."

"The pledge made as a candidate I am prepared to keep as your nominee and as your Governor."

### Criticisms By Morrow.

Governor Morrow, four years later, made unpleasant references to the 1919 school book adoption, in which a Lexington publishing house was awarded the speller, submitted in galley proof, as was the adopted physiology, the latter written by Dr. W. L. Heizer, who would have been Secretary of the State Board of Health, had not the Court of Appeals held invalid the 1918 Board of Health "ripper bill." He commented disparagingly on the purchase of \$10,000 worth of denim by the Board of Control in 1918 at \$1 a yard from A. S. J. Armstrong, brother-in-law of the secretary of the Board, and a man without a place of business, money or credit, who delivered the goods three days before the Board wrote him a letter accepting his proposal. Governor Morrow charged favoritism toward the banks by allowing the State deposit to accumulate, while interest was being paid on warrants.

He was harsh in his criticisms on the compromise of the Harkness inheritance taxes and the attempted compromise of the Bingham tax cases

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by attorneys employed under the Stanley administration.

Governor Morrow opened up on "the System" at Pineville, September 8, 1919.

"In the name of the people of Kentucky," he cried, "I denounce the Stanley administration and those who have fattened upon it—

"For wanton, reckless expenditure of the public funds, for the System which has increased the heavy burdens of taxation on the one hand while it has piled higher and higher the State interest-bearing debt upon the other;

"For the creation and perpetuation of useless offices and officeholders—for the hundreds of needless leaks and drains from the public treasury used to feed and fatten the political favorites of a discredited administration;

"For its demonstrated business incapacity and fraudulent favoritism, resulting in the loss and waste of millions of the people's money;

"For the disgraceful political brigandage which did not spare even the school children of Kentucky;

"For the infamy of partisan political control of the State's charities;

"For the enforcement and continuation of the long discredited system of convict contract labor.

"To secure my election to the exalted position to which, I honorably aspire, I shall not pledge a single office or make a single trade. When this great trust comes to me my hands shall be free to take it, my mind not alone for the best interests of my State, if in your wisdom you see fit to elect me Governor of the Commonwealth.

"I will enforce rigid economy in the collection and expenditure of the public funds, stop the leaks, abolish every useless office, and compel retrenchment in every department of state.

"I will take the black hand of politics from the throat of the State's charitable and penal institutions.

"I will appoint a State tax commission, without regard to politics, composed of men of such ability and fitness as will fairly, justly and equitably discharge their duties—and if they do not do so I will demand their resignation and tell the State why.

"I will not for political reasons appoint to office any unworthy or unqualified man, nor will I knowingly permit such an appointment by any public officer.

"I will not employ attorneys at State expense, nor will I permit the settlement by compromise of State claims; but will compel their adjudication in the courts of law.



"I will not abuse or misuse the pardoning power, nor will I pardon any guilty man, nor will I use this power for political ends.

"I will not barter or use my patronage to entrench my party or myself in power, but will seek alone the confidence of a people merited by a faithfully, conscientious discharge of public trust.

"I will not, while Governor of Kentucky, seek a nomination for any other office, nor will I become a candidate for any other public office."

### A Sinister Suggestion.

These utterances of two Governors suggest something in the "Invisible Government"—the "System"—more persistent than periodic legislative lobbying, more sinister than the natural desire of a successful candidate to reward those who helped elect him, with jobs. Stanley referred to "tax-dodgers" in the "Invisible Government;" Morrow to the "System" playing favorites. They suggest that those most instrumental in elevating men to high office do not always need jobs, but do need a friend in a strategic position. One can almost visualize the "System" present in the person of favored politicians of whatever party is in power at the letting of contracts—for supplies, for roads, for motor vehicle tags—at the assessment of corporations, at the appointment of officers, at the granting of pardons. When the General Assembly convenes it may be represented in the personnel of both parties, working together to the common end of protecting the "System."

The State lets contracts for textbooks, involving millions of dollars in five years; contracts for fuel, clothing, groceries and supplies, involving other millions; road contracts and contracts for fire insurance, printing, automobile tags, office equipment, convict labor. It has an attractive income to deposit; it regulates banks, building and loan associations, stock sales, insurance companies, the common schools, the live stock industry, compensation for industrial injuries, railroads and all public service corporations. It supervises the assessment for taxation.

Here, one can see, are offered splendid opportunities for "political favor-

ites" to "increase the heavy burdens of taxation on the one hand" while they pile "higher and higher the state interest-bearing debt on the other."

### The Political Triangle.

If there has been allowed to grow up in the electorate, through neglect of education and institutional care, a dangerous element of vicious, disordered and illiterate; and there is an organized "System," invisible and insidious, constantly endeavoring to subvert government to its own enrichment; Kentucky would need to complete a Political Triangle to its own undoing, only a professional politician at the head of the government, seeking to promote his own candidacy for another office by holding the leadership of the one and the friendship of the other.

Let that stand for the moment as a conscientious Educational Survey, and two Governors of the Commonwealth have presented it. The facts about Kentucky are these:

Taxes have increased these fourteen years, while—

Natural wealth still awaits capital;

The State debt has increased;  
State property has deteriorated;  
Modern science has been denied the delinquent and insane;

Educational institutions have languished for lack of funds;

A road department in ten years has not built a highway system;

A tax department in five years has not equalized assessments at the fair cash value of property.

### An Era of Revolution.

Legislators must not be blamed. If the naive assumption may be indulged that the adoption of an enabling act is the consummation of the project it subserves, Kentucky has kept abreast of the times in a period of revolution in politics and applied science: a period that has seen the development of the automobile and flying machine, the cost system applied to business; has realized prohibition, woman suffrage, popular election of United States senators, primary nominations, and non-partisan municipal and school board elections; has seen America participating in a war on European battlefields.

Kentucky's principal prison is called a "reformatory," its asylums "hospitals," and its normal schools "teach-



ers' colleges" in conformity to the latest fashion in terminology; it has a modern tax law, a modern system of institutional management, a state school department, a state road department, a state tax department, banking department, game and fish department, insurance department and ever so many others. But there is no intention to discredit any of these innovations. The financial balance would not be restored by abolishing them; and in justice to their meritorious purposes they should not be mentioned without their proper setting, or the story of the state debt will be thrown into distorted perspective from the modern viewpoint. Their origin can be briefly outlined.

These fourteen years span the era of transition from a frantic "trust bustin'" mania to recognition of the principle of economic co-operation. It knew Roosevelt, the "strenuous," and conservation. After him came Wilson, and "efficiency" became the Nation's watchword. The Progressive movement was under way, when in 1912 Kentucky caught the full effect of a nation-wide awakening. Chief Justice E. C. O'Rear wrested the Republican nomination away from his party organization and wrote a progressive platform. That election was won in the Democratic convention, when it adopted the "county unit," but its platform was equally progressive; and for a few weeks out of fourteen years a personality illuminated the plane of Kentucky politics, as O'Rear went up and down the State declaring:

"It may not make any difference to the people of Kentucky whether a set of gentlemen, calling themselves Democrats, or another set of gentlemen, calling themselves Republicans, hold the offices for a term of four years; but it does make a tremendous difference to whom they are indebted for their offices, and what their obligations."

#### **The Times Have Changed.**

Since 1912 a dozen departments, not considered among the functions of government when the Constitution was written, have been added at Frankfort. They were created in response to popular—usually organized—demand. And throughout the country there were evidence of an indus-

trial people clumsily beginning to impress their genius on the State; to assert the sovereign half of that dual capacity they occupy toward government and use it for their own benefit; to regard taxes, not as tribute, but as an investment, on which they demand returns in the form of roads, education, cheap transportation to market, protection of savings, security of investments, reduction of fire losses and hazards, improvement of land, development of natural resources and conservation of manpower and wealth.

Meanwhile increased taxes did not seem either to reduce Kentucky's debt and preserve its property, or to keep it abreast educational progress. People, more or less consciously, seemed to be looking for a man with business references; and the candidates, speaking in the last two campaigns, seemed to be doing their best to furnish them.

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#### **FOR KENTUCKIANS ALL.**

(Courier-Journal Editorial,  
July 1, 1922.)

The Courier-Journal begins today the publication of a series of articles on the government of Kentucky, and especially in relation to its fiscal affairs, to which it earnestly urges the attention of every citizen of the State. These articles have been prepared by Mr. Vance Armentrout, the paper's Frankfort correspondent, who has devoted to them several months of zealous labor, his object being to ascertain the facts accurately and completely and to present them just as ascertained. His work will be found to be comprehensive, exhaustive and uncolored by bias, either personal or partisan. It may be relied upon as absolutely trustworthy.

The Courier-Journal has no motive in publishing these articles except to get at the truth regarding governmental conditions in Kentucky and to lay it before the people for their information and guidance, the hope being that they will thus be awakened to the nature of the evils from which the State is suffering and will be stimulated to intelligent action to remedy them. There is no desire on



the part of this newspaper to hurt anybody who has held office in Kentucky; to hurt or help anybody who may expect to seek office in Kentucky; its one desire being to help the whole people of the State to a better Kentucky. The exposition which Mr. Armentrout has made is aimed not so much at the faults of men as at the faults of the governmental system which has seriously handicapped the State.

The publication of such an exposition is especially timely now, as the quadrennial State election is but little more than a year away. If Kentuckians, of all political complexions, will follow the series of articles and study them in the spirit in which they are offered they will undoubtedly be better prepared to decide understandingly those questions which should be raised and settled as the issues of next year's campaign, and which must be raised and settled before the State of Kentucky can come into its own.

In addition to the impartial research which has resulted in the data on which the articles are based, every precaution has been taken to insure fairness, advance proofs having been sent to all officials concerned. If, with all this, mistakes have crept in, The Courier-Journal will be glad to publish corrections from any quarters, as, indeed, it will be glad to publish comments from its readers generally, if reasonable in length and constructive in character.

## AN ACCOUNTING OF KENTUCKY.

(The Times Editorial, July 1, 1922.)

In The Courier-Journal today Mr. Armentrout, its Frankfort correspondent, began a series of articles on the business condition of the State of Kentucky. There will be eight or nine of these articles, it is announced, and they will be published every day except Sunday, until they are completed. The purpose of the articles is stated to be for or against no individual, but to acquaint the voters with the size and difficulty of the task of Governor and with some of the faults of the present system of administration.

Mr. Armentrout has brought to his research and composition a good analytical mind, rich experience, integrity of purpose, a style colorful and clear—and long, grinding toil. The stockholders of Kentucky, which includes every citizen in it, should read these articles fully and carefully, the better to prepare themselves for their responsibility as electors. It costs them a great deal of money every year to run the State, and they should know what sort of material is needed to improve future management. The story Mr. Armentrout tells is the average American political story of government by friendship, lack of cohesion in administration, and dearth of business ability in State office. He avoids personalities and eschews sensations. These have no place in a business statement. Women, particularly, should read this series of articles.

## CHAPTER II.

### ORIGIN OF THE STATE DEBT.

Kentucky's financial liabilities of \$5,052,940.68 in outstanding interest-bearing warrants, \$3,000,000 owed counties for state-aid advancements and the necessity of expending \$16,000,000 on her educational and charitable institutions, a grand total of \$24,000,000, represent the accumulated obligations of fourteen years—four administrations, two Democratic and two Republican.

The road debt started in 1914; conditions and needs of the institutions

have developed gradually over a longer period; the floating debt first appeared June 30, 1908, a matter of \$89,000 in warrants. The debt, naturally, is the outstanding feature of a condition embracing them all. In these fourteen years taxpayers have checked out \$1,500,000 in interest on warrants, besides taking the losses of margin bidders on state supplies add to the price to cover possible discounts.

The accumulation of these war-



rants has made steady progress from 1908. Coincidentally, public revenues have multiplied. The Republican Campaign Hand Book of 1919 parallels them succinctly. It gives the total revenues collected under the administrations, respectively, of Governors Augustus E. Willson, James B. McCreary and A. O. Stanley, and the amount of outstanding, interest-bearing warrants at the end of each term as follows:

	Revenue. Warrants.	
Gov. Willson....	\$24,000,000	\$560,000
Gov. McCreary..	26,000,000	2,884,000
Gov. Stanley....	35,000,000	3,556,000

#### How Revenues Compared.

It does not, of course, note that the public revenues under the Willson administration exceeded those under his predecessor, Governor J. C. W. Beckham, by \$2,000,000, or that the revenues collected in two years and a half of the present administration total \$30,000,000.

This statement that the State debt is \$5,052,940.68 will be, of course, immediately challenged with the contention that the treasury balance of \$1,116,945.75 should be deducted from the amount of outstanding warrants, leaving the net state debt \$3,935,994.93.

To the average citizen, nevertheless, the debt is what the State owes, and remains a debt until it is paid, regardless of what the State has to pay it with. The same explanation was made June 30, 1921, when the warrants amounted to \$4,312,438.77, and there were \$2,291,062.06 on deposit to the credit of the State, leaving, it was claimed, a net debt of \$3,021,376.71. The record, however, shows that \$500,000 of this belonged to the inviolate school, university, normal school and road funds, and couldn't legally be diverted for the retirement of obligations against the general fund. Also, since the State's gross expenditures average more than \$1,000,000 a month, obligations sufficient to offset the remainder of the treasury balance were rapidly coming in for audit.

#### Used By Republican Candidates.

This may account for the fact that the treasury balance wasn't used to retire the warrants at that time and

Eleven

stop the interest, in view of the Republican Hand Book criticisms directed against the preceding administration and freely quoted by the Republican candidates in the 1919 campaign—criticisms worth quoting here, because political history, at least, has a habit of repeating itself:

"It will be observed from the above figures that during Stanley's administration interest-bearing warrants on June 30, 1917, to the amount of \$4,710,633.03 were outstanding and on the same day there was a balance of cash on hand in favored banks, amounting to \$1,200,229.06.

"On June 30, 1918, the interest-bearing warrants had been increased to \$5,451,689.37, while the balance of cash in the banks had been increased to \$1,939,719.28.

"On June 30, 1919, upon the eve of a State campaign, and by reason of the call for \$1,369,920.39, the amount of interest-bearing warrants had been reduced to \$3,556,534.87, and the cash balance in the banks to \$1,120,555.81.

"Is it good policy for the State to allow these large sums of money to remain on deposit in the banks, while abnormal sums of interest-bearing warrants are outstanding?"

The purpose of that, of course, was to represent the Stanley administration as allowing interest to pile up against the State, while it left a large cash deposit in "favored banks," against the time when it could make the best showing by paying off a lot of warrants at the opening of the State campaign.

#### Hand Book Down to Date.

To bring the Hand Book down to date, it may be said that on June 30, 1921, outstanding warrants amounted to \$5,312,438.77, and the balance in the State treasury on deposit in banks was \$2,291,062.06; and on June 30, 1922, outstanding warrants amounted to \$5,052,940.68 and the balance in the State Treasury on deposit in banks was \$1,116,945.75. June 30, 1923, will bear the same relation to the next State campaign that June 30, 1919, did to the last one. Whether a considerable reduction in both the amount of outstanding interest-bearing warrants and of the treasury balance will be recorded on that day remains to be seen.

The debt was a mere excrescence of \$149,000 when it first appeared, June



30, 1908. Since then taxes have increased many times the amount of the claims; but the debt grew until it equaled the amount of the taxes that first year. The rash spread; the school fund developed a deficit three years ago, and the road department still suffers from obligations of eight years' accumulation; the electorate complains of the pains of burdensome taxation; public institutions and colleges are distressed by lack of accommodations, equipment and money.

In this extremity, the last General Assembly directed a commission, provided for expert advice, to have a complete, scientific examination made of the State's internal organism and functions to ascertain whether the deficit and distress are not symptomatic of more serious complications that may be hidden from empirical observation.

#### Political Prescriptions Useless.

The debt itself is not so immense, though it would take the half of Kentucky's annual income to pay it off; and the total almost tallies with legislative appropriations in excess of revenues. Its story would be but the short and simple annals of the improvident, were it not that the condition has persistently refused to yield to political prescriptions for removing the blemish.

Four successive Governors have made the same diagnosis of "waste," "extravagance," and "useless offense," and prescribed the same healing lotion of "a business administration" and minor surgery to relieve taxation; and three of them have retired, two leaving as an issue a debt larger than he had to thank his predecessor for.

Gov. Augustus E. Willson, starting with a debt of \$149,000 at the end of his first semester in 1908, left at the close of his term a debt of \$1,416,000.

Gov. James B. McCreary, repeating his platform declaration in 1914, charged Willson's administration with "gross extravagance and willful waste." He said, "We pledge ourselves to retrenchment and reform and a business administration of public affairs," and when he retired the debt was \$3,179,000.

Gov. A. O. Stanley in 1915 averred, "I favor rigid economy in the administration of public affairs and

the abolition of all useless offices," and when he retired the debt was \$3,566,000.

Gov. Edwin P. Morrow, candidate the same year and under no inhibition of party loyalty to the administration, charged McCreary with "a broken covenant of retrenchment and reform," with "wanton, useless and reckless extravagance, an empty treasury, a bankrupt State and a public debt in outstanding, interest-bearing warrants of \$3,000,000." At the end of the first eighteen months of Morrow's administration the floating debt was \$5,312,000, just \$139,000 under the war peak of 1918.

#### Everything Has Increased.

During these fourteen years the debt has increased \$5,052,940.68—from nothing to that—the general revenue fund has increased \$5,168,000—from \$3,675,000 to \$8,843,000—taxes have increased, expenses have increased, and offices and salaries have increased.

Each succeeding administration has had more revenue to spend than any of its predecessors. Since Governor Willson's inauguration the State has collected into the general fund a total excess of \$19,000,000 above an annual increment equal to the fund the year he assumed office, four times the amount of the accumulated debt. Quite sufficient, it was, to have stopped the annual deficit at any time, to have paid off the debt and rebuilt the State institutions, with enough over to endow the University, if all that Kentucky needed during these fourteen years was to have somebody put a stop to waste and extravagance, and discharge a lot of useless employes. That the problem of State finances is not so simple as that, might occur as the explanation to the mind of a hard-headed business man; but all Kentucky's recent Governors have said it was, and the inference must point the way it drops.

Augustus E. Willson did not in his campaign accuse the Beckham administration of plunging the State into debt; because the State at that time had no debt. He did, however, charge "unnecessary offices" and "burdensome taxation" and he promised to "reduce taxes and abolish useless offices."



The debt came to light during Willson's term; but it was at the close of a fiscal year, during the latter half of which Willson was Governor and the first half Beckham. So, its origin and authorship are of some historic interest, if only as a starting point to tell the story of what efforts were made by four successive Governors to stop waste and extravagance, abolish useless offices, give a business administration and reduce taxation; to say nothing of inquiring into the executive conception of what constitutes waste and extravagance and what makes taxation burdensome.

### Controversy On Origin.

The debt when it first appeared was a mere matter of \$149,000. A larger deficit in the general expenditures fund had occurred the year before under Beckham, and \$500,000 had been transferred from the sinking fund to cover it, which action Governor Willson subsequently approved, since the sinking fund didn't need the money. Upon this transfer the Auditor, S. W. Hager, on October 31, 1907, announced that all claims to date had been audited and paid.

The Willson administration assumed full control the New Year's following. There was in the State Treasury on the date of transfer considerably more than \$1,000,000 that being the harvest season of the annual tax gatherers. It also marked the exact middle of the fiscal year.

The government doesn't cease functioning with one administration and resume with another. It goes on regardless of changing personnel; and, so, no doubt, debts contracted under the Beckham administration must have fallen due under his successor. This is important, because before the winter was over the cash was about cleaned out of the state treasury and there was given to the press a carefully phrased statement of alarming tone, that the treasury had been exhausted to save the State's credit from the result of indebtedness incurred by the preceding administration.

The debt June 30th was so small—only \$149,000—compared to what the public had been led to expect, that the new administration was suspected of

trying to impress a rather wayward General Assembly of the opposite political faith, and possibly make good on its charges of "unnecessary offices and burdensome taxation," before settling down to the redemption of its own pledge to "reduce taxes and abolish useless offices."

That the administration entertained some premature hope of wiping out the deficit is indicated by Governor Willson's elaborate calculations to show the legislators that revenues were sufficient for the ordinary expense of government, if they would only refrain from adding to them.

### The Issue Made Up.

It was an unequivocal statement the Beckham administration made in the late fall of 1907 that all obligations had been paid. No less was the statement issued by the Willson administration in the early winter of 1908 that the treasury had been emptied by them in paying the accumulated obligations of the Beckham administration. And so, since the debt was so small at its initial appearance and appeared at the end of a fiscal year, in which each had a share, the single point at issue is whether the Willson administration could have closed the books that June 30, 1908, without that little floating debt. On this point the respective business characters of the two administrations become relevant, and public documents, containing their records, take the stand as character witnesses.

The first half of the fiscal year was under an administration of eight years' experience, that had made the revenue laws and tax rate, established the departments as they then existed and built and paid \$900,000 on a new Capitol without straining the public credit up to that time. The second half was under a new administration, entering on strange duties in the middle of the fiscal year, and one whose subsequent record will disclose what facilities its practices afforded for the expeditious emptying of a treasury.

### Reveals Beckham Policy.

Notwithstanding the controversy over responsibility for the deficit, Governor Willson was discriminating-



ly charitable toward his predecessor in subsequent messages. He even went so far as to say, "The deficit has not, in so far as I know, been caused by any extravagance or improper management of the executive department in the past;" a compliment, which, by the way, was obviously only a necessary incident to its implication, at a time when the Governor was having his second wrestle with a hostile legislature. He congratulated Kentucky on its handsome, commodious and economically built Capitol. He gave Governor Beckham personal credit for the building and the General Assembly blame for the cost, the last payment on which, along with its furnishings and power plant, the Night Rider War and the 1908 General Assembly he found burdensome beyond bearing.

But he was too generous toward Governor Beckham. The records tell another story. For that period from 1900 to 1908 the man who sat at the head of the administration must accept full responsibility. Executive initiative is stamped on the whole body of the laws and executive policy too plainly on the conduct of every department. There does not seem to have been an executive agency that was not molded by one hand in that time and changed radically in form. There must have been one directing mind behind it; because there is a traceable sequence in the operation and a harmony of detail, which show that somebody had carefully scrutinized every nook and cranny of the State's establishment, deliberately planned a comprehensive policy and personally supervised its execution.

What was achieved was to place all the state institutions under centralized control; increase the school fund so as to lengthen the term and pay teachers better salaries; establish two normal schools so as to fit teachers to earn better salaries; to establish a Confederate Home and build a new State Capitol. In order to do these things it was necessary to recodify the revenue laws in their entirety and reapportion the state tax rate.

#### Finances Come First.

The financial part of the programme was attended to first. In

1897 the tax rate had been increased from 47½ to 57½ cents on the \$100 for three years, reverting to 47½ cents the year the Beckham administration assumed office and resulting in an immediate deficit. The rate was raised to 50 cents and reapportioned, 26½ cents to schools, 22 cents to the general fund, 2 cents to the sinking fund and ½ cent to the University. This re-apportionment followed the redemption of practically all the outstanding bonds against the Commonwealth with war claims collected from the Federal Government, which permitted a reduction of three cents in the sinking fund. Likewise, the general fund was made to surrender 1½ cents to the schools.

As a consequence, for the first time the schools received the major part of the general taxes, the school term was lengthened from five to six months and the per capita apportionment for the pay of teachers increased a dollar. It is more than doubled now, \$6.10, the school fund being enriched in every subsequent effort to increase state revenue by raising the tax assessment.

The two normal schools and the Confederate Home were established and provided for, and the State Capitol construction was started and almost completed during the administration. Special appropriations were made for the repair and permanent improvement of all the state institutions, the Geological Survey was re-established, a permanent State Fair appropriation was made, forestry and immigration were added to the Department of Agriculture, the Kentucky Children's Home Society was taken under state patronage, the appropriation for the State Board of Health was increased, the first provisions made for the fight against tuberculosis, and the State Fire Marshal was created.

#### Time Must Test Policies.

At that time five local boards managed the charitable institutions, keeping their funds in local banks, and, presumably, patronizing local dealers liberally. A State Board of Control, to be appointed by the Governor, was created to take charge of the three



asylums and Institute for Feeble Minded Children.

The scope of this policy is readily apparent from the recital, its prudence must rest on its own fiscal foundation, and the fact that the capitol project went through a bitter campaign during construction and others since without a scandal is its chief defense against a charge of reckless extravagance. The soundness of the policy could be tested only by time, and has no place in this story excepting as it relates to the state debt.

What progress had been made in education in the last fourteen years, the survey of 1921 testifies. What the normal schools may have done to improve instruction in the common schools, what the Geological Survey has done to develop natural resources and distribute the tax burden; what the University, Experiment Station, and Department of Agriculture have accomplished to the same end; what service the Fire Marshal, Insurance Commissioner, State Board of Health, Prisons, Hospitals, Houses of Reform and Banking Commission have performed in the prevention of loss and in conservation and reclamation, reflect the ability of succeeding administrations to formulate and execute policies, as do the answers to such pertinent questions as: What has been accomplished by a Road Department ten years old? and How near has the Tax Commission in five years come to assessing all the property in Kentucky at its fair cash value, and equalizing one acre with another?

. . .

### THE STATE DEBT.

(Courier-Journal Editorial,  
July 3, 1922.)

Mr. Armentrout in the first of his series of articles now appearing in The Courier-Journal sought to lay the foundation for the history covered by Kentucky's debt, with the system which has prevailed in the State's Government during that time, and the resulting problems which confront Kentuckians as citizens and taxpayers.

Fifteen

He showed from the testimony of the highest officials of both political parties that the system which has directed that history has been what Governor Morrow denounced as "The System"—something outside of the system prescribed by our organic law—and what Governor Stanley denounced as "Invisible Government." He showed that during this period, when the State Government has been in charge of two Democratic and two Republican Administrations, each equally condemnatory of "The System" and each equally emphatic in pledges to destroy it, the throttling grip of "The System" has never been loosed.

The consequence is that Kentucky, potentially rich beyond estimate in natural resources and peopled by a race ever in the forefront of the world's advancement, is a laggard in an era of development and an age of progress. And the story of that period of fourteen years, which is the story of Kentucky's debt, is thus summarized by Mr. Armentrout:

"Taxes have increased these fourteen years, while natural wealth still awaits capital; the State debt has increased; State property has deteriorated; modern science has been denied the delinquent and insane; educational institutions have languished for lack of funds; a road department in ten years has not built a highway system; a tax department in five years has not equalized assessments at the fair cash value of property."

Today Mr. Armentrout deals with the State debt, from its beginning in 1908 to its continued growth in 1922. On June 30, 1908, it was "such a little one," as the poor lady excused her indiscretion of the irregular infant, that it did not seem to count—only a trifle of \$149,000 in warrants. But the debt habit is one of the easiest formed and followed. At the close of Governor Willson's term that \$149,000 had increased to \$560,000. At the close of Governor McCreary's term it had



waxed to \$2,884,000. When Governor Stanley went out it had gone up to \$3,556,000. On June 30, 1922, six months beyond the first half of Governor Morrow's term, it had swelled to \$5,052,940.68, of which \$350,231.57, charged to the school fund, has been ordered in.

No light is thrown on the steady growth of the debt by a scrutiny of the State's income throughout the same period. It was not because there was no money in the treasury that the debt was not paid and grew from less than two hundred thousand to millions. While Willson was Governor the revenues collected increased to \$24,000,000, yet a debt of \$560,000 was left unpaid. Under McCreary the revenues collected increased to \$26,000,000 and the debt increased to nearly \$3,000,000. Under Stanley the revenues collected increased to \$35,000,000 and the debt to more than three and one-half millions. The Morrow administration in two years and a half has collected \$30,000,000, but instead of using any of it to pay off the debt has increased it.

No intelligent man believes that a State debt is always a fiscal crime. On the contrary, there are times when it is wise for a State to incur debts. It might be possible to justify this debt if it could be shown that Kentucky's mounting revenues had been expended in ways more profitable to the State than the liquidation of its outstanding warrants and the issuance of more warrants. But that would seem to be a hopeless task in view of the common knowledge that notwithstanding the expenditure of all these revenues the crying need of the State's schools, penal and charitable institutions, roads and development agencies is money and more money, which they do not get.

Yet this debt seems to have been so cherished by every State administration that a million and a half of the

taxpayers' money has been paid out not toward wiping out the debt, but in interest charges to carry it.

Mr. Armentrout effectively parries the point that his statements of the State debt will be challenged with the contention that the Treasury balance should be deducted from the amount of outstanding warrants. That, of course, is the merest quibble, trolled off by campaign politicians to befuddle the groundlings, most of whom are easily befuddled by the manipulation of financial statistics. Quibble as the politicians may, the whole proposition which they spring amounts simply to this: A man with a memorandum of his I. O. U. for \$10 in one pocket doesn't owe any less than \$10 because he has \$5 cash in another pocket.

Mr. Armentrout discusses at some length the record of accomplishment made by the Beckham Administration, and whether any obligations incurred by it were inherited by Governor Willson. That, however, has little bearing on the State debt, which first appeared on the books in a small way in 1908. The fact that does have a very material bearing on the subject of his article is that every Governor who has presided at Frankfort during the life of the debt has condemned, almost in the same language, profligacy and useless offices, promising as a remedy the economy of "a business administration;" while under all of them the business of increasing the debt has gone on, together with the business of spending more and more revenues, with no more satisfactory results than summarized by Mr. Armentrout.

Kentucky's debt is not so large as to be in itself a matter of vital importance; what is of very real importance is why Kentucky has a debt at all.

That question has never been satisfactorily answered. Could "the System" answer it if it would?



## CHAPTER III.

### GROWTH OF THE STATE DEBT.

No lack of accord has distinguished any of the successful candidates for Governor of Kentucky these last fourteen years in their shrewd surmise that the State was running in debt because it was spending beyond its income. They have been in perfect harmony, too, on the subject of executive responsibility for the entire policy of government.

A. O. Stanley said in response to calls of "speech" at the State convention in 1915: "You do not expect from a chief executive, or a candidate for Governor, words—it is work. An executive is judged, not for his brilliancy or eloquence, but by his wisdom, firmness, patience, devotion to duty and untiring labor in behalf of the people who honored him. I am thinking tonight," he said, "how by long years of loving service, not by words, I can show you how full is my heart of gratitude."

In his inaugural address he declared: "There is an insistent demand for more business and less politics in the administration of fiscal affairs," which does not sound unlike what Edwin P. Morrow had said that same year in a campaign speech: "We need less politics and more business; more saving in the collection of revenue and less extravagance in its expenditure." Governor Stanley observed that "to liquidate a heavy deficit, if possible, without increasing the burden of taxation, will require the greatest care and discretion in the appropriation of public funds." He foresaw that "all superfluous offices from the highest to the lowest should immediately be abolished," and the essential offices "filled with an eye single to the fitness of the man with the place."

#### On Legislative Shoulders.

Governor McCreary not only gave assurance that "the finances of the State shall suffer no detriment which it may be possible for me to prevent," but his vision encompassed an "age of progress and development. Our State must keep step," he exclaimed,

"and we must have united, aggressive efforts for industrial and commercial supremacy. Kentucky must forge to the front in farming, in manufacturing, in mining and in education." Governor Morrow more than hinted at some relationship between the state government and "the development of our agricultural and natural resources."

It cannot be charged, on the other hand, however, that any of them presumed to trespass upon the prerogatives of the co-ordinate legislative branch of government. So clearly defined did they leave the dividing line between the executive and legislative, that one unacquainted with the traditional deference which hedges about formal intercourse between the two branches might conclude that they all with one accord shifted the entire responsibility at their first opportunity on to the shoulders of the legislature.

Now, legislative shoulders are, not only broad, but numerous. The General Assembly is composed of 138 members, who convene every two years for a period of sixty working days, and between whiles have no official concern for public affairs. The membership embraces representatives of every rank of intelligence, culture, education and occupation.

They come from every section, and communities of every conceivable character and density of population. They come unacquainted with the details of government, its needs and resources—unacquainted with one another and the motives of hordes of advocates who throng the lobbies.

#### A Board of Directors.

Each has his own particular measures to advance, and each must acquaint himself with all the others and with the machinery of legislation, and consider the merits of nearly 1,000 bills, mostly foreign in subject-matter to his experience—and all in the space of sixty working days. Yet, not a cent of revenue may be collected or a penny of it spent without the approval



of a majority of these 138 legislators. In this respect they resemble a board of directors of the Commonwealth.

Like a board of directors, too, they are not required to "go it blind." The State employs a Governor at a salary of \$6,500 the year "and found," to do nothing else but manage the entire institution, with appointive power over most of its agents and inquisitorial supervision over the others. He is specifically directed by the Constitution, which might be likened to articles of incorporation, to inquire into the affairs of all departments, advise the legislators and, presumably, formulate some sort of policy, in which the activities of all the twenty-five varied executive agencies may be co-ordinated under his direction. He is the head of the corporation.

A gifted imagination might envisage in the legislative session the assembled Board of Directors of a great organization, turning over \$16,000,000 annually, and producing regularly an annoying and constantly growing deficit; and in the Governor the new head of the concern, elected on his assurance that he knew what caused the deficit and could correct it.

### Advice to Legislators.

A definite, concrete fiscal policy, embodied in the biennial message and submitted for approval, might not be disappointing to such an imagination. What policy there was must be winnowed from the archives of public documents; but, if respect for the prerogatives of a co-ordinate branch was responsible for executive reticence about their own plans, the amenities of statesmanship did not withhold from the law-making body such sound advice as this:

Augustus E. Willson, 1908—"I wish to call the attention of all the members of the General Assembly to the absolute necessity of limiting, not only the amount of appropriations, but taking great care to see that they should not be made payable at any time when the Treasury cannot pay."

James B. McCreary, 1912—"Senators and Representatives should be careful in making appropriations, and be sure that there is money available to pay such appropriations as may be authorized."

In 1914—"The first principles of good public finance is that no expenditures for any purposes should be permitted unless such expenditures lie within the limits of public revenue. The people of Kentucky are expecting a bill to be passed to help raise sufficient revenue to pay the debt of the State of Kentucky."

A. O. Stanley, 1916—"Those, who propose added appropriations, should, at least, be able to suggest some method by which added revenue, necessary to meet expenditures, may be provided."

Edwin P. Morrow, 1920—"The General Assembly should rigidly investigate the various departments and institutions, and should unhesitatingly recommend any and every measure to correct extravagance, prevent waste and to detect and punish those guilty of the misapplication of public funds."

The legislators did not heed these wise admonitions. In fact, every Governor, until the budget was adopted, recommended appropriations of hundreds of thousands, without suggesting specifically where the money was to come from; and the Assemblies went on adding appropriations and neglecting to provide the revenue to cover them, and Governors went on approving them.

### Appropriations Always Pacemaker.

The result could be foreseen; only the extent was speculative. Although revenues steadily increased, appropriations kept constantly ahead of them. The sessions of 1908 and 1910, counting some \$300,000 made annually, appropriated outright \$1,300,000. The last payment on the Capitol fell due and the Night Rider War cost \$250,000 for military operations. The two sessions of the next administration increased the annual burden on the general expenditures fund more than \$900,000. Confederate pensions were the greatest, of course. Nearly all annual appropriations were increased, and new departments were added, besides special appropriations of thousands at every session.

There are other avenues of expenditure, too, which do not stand in the category of appropriations. Such, for instance, are doubling the per diem of legislators, increasing the fees of jailers and county clerks, and the Jefferson County fees, the creation of three new circuit court districts, running well in excess of \$300,000 in



annual cost to the State. The county tax commissioners, on the State's payroll, draw approximately \$400,000 the year. When these are totalled up and \$8,000,000 of latter day revenues credited to the road fund, they approximate the measure of the accumulated deficit.

It would appear fairly obvious that, if nine legislatures in succession are wholly to blame for conditions, the machinery of government, with its admirable system of "checks and balances," lacks brakes and gear, which the statesmanship of the period was unable to supply.

Governor Willson, being of the opposite party, frankly did blame the General Assembly. So far as his administration was concerned, he informed the 1910 session that "during the last year there has been painstaking and severe scrutiny of all bills rendered, and the most rigid economy has been practiced;" which is pertinent because, while the legislature authorizes expenditures, it is well within the discretion of the executive head to spend as little or much of departmental appropriations as he sees fit, having direct control through appointment over most of them, and inquisitorial power as to the others.

#### From Willson to Budget.

If the records should bear out this claim of "scrutiny and rigid economy," perhaps, the wee debt of \$149,000 on June 30, 1908, might be ascribed to the laxness of the Beckham Administration the first half of that fiscal year. And this introduces the fiscal policy from Willson to the Budget. It will be treated as one period.

A history of these fourteen years, dealing solely with the business of government and selected from campaign speeches, inaugural addresses, messages, acts and public documents, does not lend itself to chronological arrangement; it must be told topically. In sequence of time the history would be but a series of cross sections, so alike as to be confusing. Longitudinal sections clear through the period are more revealing of the continuity of government and such variations of type as have characterized Kentucky's alternating political fancy this last decade and a half.

Nineteen

To begin with, the Constitution prohibits paying money out of the treasury excepting on appropriations made by the General Assembly; yet reports of State Inspectors and Examiners repeatedly disclose institutions with an overdraft at the end of the fiscal year, which means that they had received warrants in excess of their stipulated annual incomes.

The prisons from time immemorial and the Houses of Reform from 1910 on, had no fixed income, the theory being that they should pay their own way, and they drew on the treasury for what they lacked in earnings to meet their expenses. It was the constant practice of departments and institutions to incur debts one fiscal year in anticipation of their revenues for the next. Governor Willson reported to the General Assembly in 1910 that the asylums had hawked \$200,000 in warrants with local banks for current expenses.

#### How Deficits Pile Up.

The General Assembly in 1912 took care of \$127,000 indebtedness for the three asylums. It paid off a \$2,500 note for the Institute for Feeble Minded and a debt of \$25,000 in 1910 and of \$30,000 in 1912. The Houses of Reform, for which the General Assembly appropriated money in 1908 and 1910 to overhaul the power plant and water supply, ran \$49,000 more than its appropriation, and the General Assembly paid a \$20,000 debt for it in 1910 and \$30,000 in 1914, when the Assembly ordered the practice to stop.

It expressed itself the same year in the same terms about a debt of \$200,000, contracted by the University in excess of a building appropriation of 1906. The two Normal Schools, likewise, ran ahead of their incomes in their building programmes. By 1910 the Western owed \$78,000 and the next year the Eastern owed \$80,000. In 1912 the Western was authorized to borrow \$100,000 and four years later the State assumed it. The State had paid \$45,000 of indebtedness for the Kentucky Normal and Industrial Institute (negro) by 1912.

Thus was a \$1,000,000 indebtedness contracted in six years without legis-



lative sanction. The Board of Control had added another \$240,000 deficit by 1920.

They were all doing it, and it was not until 1914, and then by legislative enactment, that departments and institutions were told that they must stay within their incomes and that they must not draw money out of the treasury and bank it, but present their bills of expenses and payrolls before the Auditor issued his warrants.

The accounting system is wholly within the Executive Branch of the Government. In the Auditor's office are many clerks, who do nothing but keep books. Governor Willson complained of the simplicity of the system, which, as he said, was "only a cash account of receipts and disbursements and a separate account of each appropriation."

The State, even at that time, was turning over \$7,000,000 in cash annually, housing, feeding and clothing 4,000 people, supporting three big educational institutions and operating twenty other departments. The Governor thought the Legislature ought to do something about improving the system of bookkeeping.

#### **"Public Office" Account.**

There was kept in the Auditor's office a "public office" account—as handy as an unceiled garret in a bungalow—which stored \$28,000 in 1908 and \$80,000 in 1920, when the budget was adopted, and picked up during the intervening years, all told quite \$680,000. Examination of its contents brought to light such an odd assortment of miscellany as office supplies, unclassified salaries and even coal for the power plant.

What a factor this was in state finances is demonstrated by the experience of the Banking Commission, created in 1912, and composed of a commissioner, deputy, examiners, clerk and stenographer, whose salaries and traveling expenses are paid out of fees for examining banks. Being bankers, they made up a set of books.

The department collected \$20,000 the first year and spent all but \$1,500 of it; but the Auditor's report shows only \$1,100 charged up to the depart-

ment. It was \$17,400 out of balance with the Auditor at the end of the first year, expenses of the Commission in the State's accounting bureau having been distributed among "salaries," "public offices" and other accounts.

The experience is unique only in that the Commissioner kept a full set of books himself. Printing, office supplies and many other items, running into thousands of dollars annually, were paid out of the general fund aside from departmental appropriations until the budget was adopted by the General Assembly of 1918.

It was not until 1914, seven years after the deficit appeared and after two administrations were inducted, each pledged to fiscal reform, that the accounting system began to receive attention. The Democratic State platform of 1912 advocated a uniform accounting system. The late Robert G. Phillips, then Assistant State Treasurer, was insisting upon the fulfillment of that pledge. He confided to the late Captain Reuben Hutchcraft, who fell in the Argonne in 1918, and who was one of the leaders of the House in 1914, that he could steal all the money in the treasury and no one would find it out for a month.

#### **How Money Is Handled.**

The Treasurer receives from the Auditor the money the latter collects and checks it out on the Auditor's warrant. Yet, up to that time they had not kept a daily balance. The General Assembly promptly required this. It might be inserted here, parenthetically, that now, only gradually throughout the fourteen years, have departments been required promptly to cover into the treasury all the money they receive.

Through the years, thousands and, sometimes hundreds of thousands, belonging to the State, were banked for months wherever they chose by departmental and institutional heads.

Captain Hutchcraft piloted through a law, providing for a uniform accounting system. The Governor in his message had made the reasonable argument in behalf of this plank in the platform, that "the State should be able to tell any day, without spe-



cial investigation, the financial condition of the State of Kentucky and of every county in it, and the exact cost of operating every department of the State." So the Sinking Fund Commission, composed of the Governor, Auditor, Treasurer, Secretary of State and Attorney General, was directed to have it installed.

Several accountants, who had installed such a system in other states, were among the bidders. They estimated the cost at everywhere from \$100,000 to \$300,000 and said it would require a year or two to fit a system to the organization. The firm who got the contract a year after the Banking Department had demonstrated the lack of alignment between the Auditor's books and the various avenues, through which revenues are spent, agreed to install the system in fifty-two days without disturbing the Auditor's office. They did.

The whole expense, printing and all, was only about \$35,000. It was a beautiful job—the printing. The printer was so proud of the biggest stack of books ever ruled and bound for Kentucky that they were photographed in mass formation. The books were uniform, indeed, like soldiers. Their backs were all alike; but there the analogy stopped for they were all out of step with the Auditor's office.

The Banking Department found its own set superseded by one large book, containing, among others, a column for "pauper idiot claims" and one for "tuition." The law still stands in the statutes, but the books have long since been discarded.

#### **Budget System Adopted.**

It was in 1918, well along toward the close of the third administration, dedicated to fiscal reform, that the budget system was adopted, the educational institutions provided for in tax levy, and the approval of the printing commission required before printing bills were paid. Bondsmen had been compelled to reimburse the State some \$17,000 spent for unauthorized printing by the Department of Education between 1912 and 1916, and slowly for the last eight years, chiefly through the efforts of the state

printers, departmental work, therefore let largely outside the regular state contract, was turned over to the state printers and subjected to official scrutiny.

So, by July 1, 1920, after the fourth administration had been inducted, and by virtue of a legislative act under the third one, the mechanics of the fiscal policy had been sufficiently reformed to make practicable an actual summary of fiscal needs and the probable revenues.

Under the budget of 1920 all continuing appropriations were terminated. Those for every department for the ensuing two years were included in two acts, and repairs, replacements, permanent improvements, printing and incidental expenses must be taken care of by departments out of their annual appropriations.

It is not yet perfect, apparently. The uniform accounting system still stands on the Statute Books, and Governor Morrow in 1920 suggested that the General Assembly do something about inaugurating an operating audit to ascertain whether money is being economically expended.

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#### **"THE BUSINESS OF GOVERNMENT."**

(Courier-Journal Editorial,  
July 4, 1922.)

The third of Mr. Armentrout's series of articles now running in The Courier-Journal should be studied, not merely read. For in it the way is pointed to an understanding not only of the development of the State debt but also of the conditions from which Kentucky has suffered during the period of the debt's development.

The debt, of course, is only one of a disease's symptoms, not the disease. When the malady is correctly diagnosed the remedy may be intelligently applied. There is much in Mr. Armentrout's contribution today on which to base a correct diagnosis. It is because the remedy, if a remedy is to be applied, must be applied by the people, the source of all self-govern-



ment, that The Courier-Journal is printing this matter and pressing it upon the people of the State, who can have no better government than they provide for themselves.

Let the facts set forth today have all the consideration which is here urged for them. They disclose not only the cause of the affliction of the body politic which has dwarfed a great Commonwealth during the last fourteen years, but they lay bare the fundamental peril to our plan of government as designed by its founders—a plan whose distinguishing virtue of freedom is being perverted, by license of the sovereign people's laxness in enforcing their sovereignty, into an instrument for defeating its own objects.

Proceeding with his discussion of the instance of the State debt, Mr. Armentrout shows that this evil persists and grows not because of any lack of comprehension by the State's executives of the nature of the evil, or because of their lack of knowledge of what must be done to cure it, but because of their consistent failure to do it.

Every Governor who has officiated during the life of the debt has deprecated it, denounced the policies and practices back of it and promised to replace them with administrative methods recognized as necessary to its extinction. And yet every Governor, with the exception of Mr. Morrow, has gone out of office leaving the debt larger than he found it on entering office. As for Governor Morrow, his account is not yet rendered; yet there is no indication that it will be different from the records of his predecessors; for with more than half of his term served the debt today is much larger than it was at the close of the administration of Stanley, McCreary or Willson. Each has scathingly condemned the maladministration of those who preceded him. Each has pledged himself to work the revolution of economy against extravagance,

waste and useless offices pronounced essential to wiping out the debt and restoring the State to fiscal health. And each, with the same qualified exception as to the present Governor, has left the patient in a worse condition than he found it.

There has been a unanimity among these eminent executives in their failure to make good their excellent words, and there has even been closely approximate agreement in the words themselves. Thus Mr. Stanley well said: "There is an insistent demand for more business and less politics in the administration of fiscal affairs;" while Mr. Morrow said equally well: "We need less politics and more business; more saving in the collection of revenue and less extravagance in its expenditure." It is an old story, a common story of public men—this story of applauding government as a business, but practicing politics as a business. It is a story which goes far to explain misgovernment in America, both State and national.

It would be unjust to discredit the sincerity of such men as Willson, McCreary, Stanley and Morrow in their pre-election analyses of governmental reforms needed, though followed by their post-election failures to effect those reforms. No doubt they have been honest in profession; why have they been sterile in accomplishment?

The answer is suggested by today's installment of recent political history in Kentucky's capital.

The short of it is that the Governor does not govern.

He goes to Frankfort committed to a "business administration." Nominally he is at the head of the biggest business in the State. But actually he does not run that business. The business runs him. As to who does run the business—that opens up a field of inquiry in which Mr. Stanley's protest against "Invisible Government" and Mr. Morrow's protest against "The System" will not down.

When he reaches Frankfort the



Governor draws around him the sacred circle of the Constitution as rigorously as Richelieu drew around himself the sacred circle of the Church. That circle, as he distorts it, separates him, as a dead line, from a co-ordinate but integral part of the government of which he is nominally, and should be actually, the head. He finds the Legislature is itself headless, without homogeneity or programme; divided into factions; swayed by partisanship; individually bent on the promotion of special and local petty interests; largely raw in legislative experience; the whole body swamped in the mass of work dumped upon it for disposition in the short session of sixty days. The executive refusing to head a headless Legislature, the ever-present and vigilant lobby—including the representatives of "Invisible Government," "The System"—cheerfully and all too successfully takes upon itself the direction of the "business of government" which the Governor has abdicated. Meanwhile, within his sacred circle, he is left free to follow his own inclination—to play the pleasant game of official

patronage, to repair his "fences" with a view to harvesting some other official crop, to issue pardons, coin "Colonels," make speeches wherever opportunity offers or fancy inspires; contenting himself with inditing messages to the Legislature about things that should be done, but taking no step outside his circle to get them done.

Mr. Armentrout draws a true picture of the failure of the "business of government" because of a lack of a head to the business—the only business which the titular head leaves to log-rolling stockholders, none of the capital with which they are doing business being their own; the result being the most striking demonstration yet presented of the adage that "what's everybody's business is nobody's business."

The moral of it all?

Mr. Armentrout's excursion into history will prove wholly profitless unless it shall impress upon the electorate of Kentucky that if it wishes a business government of the State it must elect a Governor who will be Governor.

## CHAPTER IV.

### TAXES AND THE DEBT.

Taxes, naturally, have occupied a large share of political attention in connection with Kentucky's State debt these last fourteen years. Tax associations have demanded reform. The old system was regarded as inequitable and productive of inadequate revenue. Governor Willson advised a change. So did Governors McCreary and Stanley. It was necessary to amend the Constitution to permit of classification. The amendment was adopted by the people during the McCreary administration, but the election was not advertised, and it had to be submitted again.

Finally, in 1917, after the amendment had been adopted, and two special commissions had reported—one in 1914, which proposed a drastic, scien-

tifically drawn measure, under which the State would have made the assessment, and one appointed in 1916, which offered a modified plan—Governor Stanley called a special session to recodify the revenue laws.

In his message that year Governor Stanley summed up the criticism of the old law in a sentence: "There is no adequate method of forcing all property on the assessment roll, no adequate method of determining or fixing the proper taxable value, when same is listed, and no adequate means of equalizing or equitably distributing the burden of taxation," and the idea, in everybody's mind, he expressed, was "that agriculture, now excessively burdened, might be in a measure relieved by a new and more equitable system."



In his message in 1918 he recalled the work of the special session and said: "The difference between assessed values in different counties upon the same class of property was startling. We find real estate in one county assessed at 30 per cent and in another at 80 per cent. This haphazard method of securing the State's revenue has been superseded by a just and modern system, by which every class of property is equitably assessed.

"An old, archaic taxing system has been abolished and a new and modern method, by actual experience, is more than meeting the most sanguine expectations of its authors and friends."

That was before the new Tax Commission had completed its first year's work.

#### **Equalizing Assessments.**

Two years later Gov. Edwin P. Morrow addressed the General Assembly on the same subject when the commission was two and a half years old. He recommended legislation for "the correction and revision of the present tax law so as to make assessments of every class of property just and equitable, and to limit, within reasonable bounds, the arbitrary power of the State Tax Commission to increase assessments made by local boards."

At the 1922 session, Governor Morrow said: "The State Tax Commission, realizing that the burden of taxation can be equalized only by assessing property at its fair cash value, has been striving gradually to realize this requirement of the Constitution. In the older settled agricultural counties," said he, "but little difficulty should be experienced in arriving at the fair cash value of real estate."

The Commission now is five years old. It started in 1918 to equalize on the basis of a 75 per cent valuation. The United States courts in the 1912-13 railroad tax cases had declared that property in Kentucky was assessed at an average of not more than 60 per cent of its fair cash value, and directed that the railroad franchises be equalized at that percentage. That was the only guide the first Commissioners had and it is evident the Commissioners assumed that

60 per cent was correct; for, in raising assessments to a 75 per cent basis that first year, they increased real estate from \$713,000,000 to \$870,000,000, and the four big railroads, the Louisville & Nashville, Illinois Central, Chesapeake & Ohio and Cincinnati, New Orleans & Texas Pacific, from \$106,000,000 to \$131,000,000.

After horizontal raises from year to year, the Commission sought, in 1921, to make the assessment throughout the State 100 per cent—the fair cash value. Real estate went up from \$870,000,000 to \$1,173,000,000, which was within \$8,000,000 of being exactly its fair cash value, if the 1918 assessment was 75 per cent of it. But the four big railroads, according to the assessment, showed up with a fair cash value of only \$122,000,000, which was a loss of \$52,000,000, or 30 per cent, since 1918.

While contiguous real estate and adjacent personal property, according to tax returns, had approximately the same value in 1918 and 1921, the rights of way, rolling stock, terminals, bridges, shops and real estate of the four railroads fell off \$15,000,000, or more than 14 per cent, in that time.

#### **Assessing Corporations.**

The value of everything else seemed to hold its own during that period of high prices, excepting materials entering into the fabrication of property used by railroads, express companies and telephone companies. The valuation of the physical plants, or tangible property, of franchise paying corporations is becoming more and more important; for the franchise is an elusive sort of thing. It is ascertained by subtracting the value of physical property from the total capital, which is the net earnings shown in the corporation's report, capitalized at a given percentage.

Back in the days when W. F. Klair of Lexington, Democrat, and H. Green Garrett, Republican, of Winchester, now chairman of the State Highway Commission, were on the State Railroad Commission, Lawrence Finn of Franklin, then its chairman, used to file a dissenting report on the assessment of the physical property of the railroads.

In those days before the State Tax



Commission was created, the Railroad Commission fixed the value of the physical property and the State Board of Valuation and Assessment, composed of the Auditor, Treasurer and Secretary of State, fixed the total capital and calculated the franchise assessment. When the railroads sued to enjoin the 1912-13 franchise taxes, Chairman Finn declared the low assessment of the physical property made it embarrassingly necessary for the Commonwealth in the suits to defend an extraordinarily high franchise valuation.

The most remarkable apparent shrinkage in value occurred when the American Railway Express Company took over the Adams, American, Wells-Fargo and Southern Express companies. The four companies in 1918 had a combined assessment of \$986,000, which was 75 per cent of \$1,300,000. Three years later the American Railway Express Company bore an assessment of \$750,000, a shrinkage of \$550,000, or 40 per cent in valuation.

The Cumberland Telephone Company, which no longer ago than 1917 reported to the State Railroad Commission that it had 6,394 miles of poles, 158,597 miles of wire and 96,328 miles of wire in its cables, besides buildings, 153 exchanges and all the telephone sets it rents to the public, was assessed the next year on its physical property \$3,750,000, or 75 per cent of a fair cash value of \$5,000,000. In 1921 it was assessed at \$900,000 less than its fair cash value in 1918.

#### **Complaint of Counties.**

Since the day of litigation, ending in 1917, no trouble has been experienced with corporations over their assessments. Hearings are held and the tentative assessments made final. But orders for county reassessments have been met with resistance and complaints that property cannot be assessed any higher.

County delegations represent their property to be assessed at the fair cash value. Notwithstanding this contention, corporations in Carter, Letcher, Boyle and Daviess have protested their assessments in County Court, alleging and offering to prove that their assessments are too high, because property generally is assessed from 30 per cent, as alleged in Carter, up to vary-

ing percentages. And if anybody at the Capitol or in any courthouse in Kentucky knows after five years whether property is assessed at an average of 30, 50 or 80 per cent, proof so far is lacking.

Kentucky spent \$441,229.25 getting the 1921 assessment, too. It has spent nearly \$2,000,000 since 1917 in an effort to equalize property at its fair cash value.

The new tax law has done automatically all its advocates expected of the law itself; it has brought out intangibles, and bank deposits have multiplied on the tax list ten fold. It has produced additional revenues. They amounted to \$9,200,000 in 1917; to \$10,400,000 in 1918; to \$12,200,000 in 1919; to \$11,600,000 in 1920, and \$14,700,000 in 1921; but this mounting turnover did not make any impression on the volume of outstanding interest-bearing warrants. Still, it must not be assumed that despair settled down over the executive mind.

#### **Governors Are Optimists.**

Each Governor anticipated the payment of the debt, but always under the next administration, and, always, it would seem, registering the reaction of opportunism to a chance treasury balance. Governor Willson was not pessimistic in 1910 when he deprecated the size of the debt and concluded that, "the General Assembly has power and knowledge to supply all that is lacking, and the problem simply requires good business sense and ordinary business honesty to provide the money, which has not been provided for the debts, expenses and future appropriations."

Had the administration thought of it, railroad taxes might have relieved the embarrassment somewhat; for the next year after it retired the Louisville & Nashville, Chesapeake & Ohio, Cincinnati, New Orleans & Texas Pacific, and the Illinois Central, enjoining the 1912 assessment, accepted and paid on a franchise valuation double what it was under the Willson administration, and the United States Supreme Court added a little to it, so the assessment could be equalized with other property in Kentucky at 60 per cent of its fair cash value.



These belated railroad franchise taxes and \$200,000 paid in a lump by the Southern Pacific after litigation swelled receipts abnormally in 1914, and Governor McCreary, then with two years to serve, predicted the cancellation of the debt in about three years.

Again, in 1919, Governor Stanley believed "the new tax system bids fair to raise sufficient revenue to meet current needs of the State and to afford a balance for a sinking fund to be applied in the liquidation of the State's existing indebtedness." The treasury then had begun to feel the effect of the increased assessment. Inheritance taxes were \$600,000 larger than at any time before or since, the balance of the protested franchise taxes had come in the year before, along with \$400,000 additional whisky revenues, which went up \$700,000 that year on the eve of prohibition. Outstanding warrants were reduced \$1,900,000.

#### Still Looking Forward.

The next year nearly \$400,000 had to be paid back to the school fund; inheritance taxes fell off \$600,000, and whisky taxes \$1,000,000, and a change in the time of reporting threw railroad taxes beyond the end of the fiscal year. Outstanding warrants went up \$1,300,000. The succeeding year, ending June 30, 1921, picked up \$600,000 extra in railroad taxes, of course, although warrants increased from \$4,164,000 to \$5,312,000.

Governor Morrow in his message in 1922 said, "if expenditures are not increased by extravagant appropriations, Kentucky can and will, without any increase in the tax rate, pay off the public debt well within the next two years. When this is done a substantial decrease in the ad valorem tax on real property can be made."

Two years will throw it into the next administration which can, if, luckily, the Bingham and Harkness inheritance tax cases in the meantime result in a temporary inflation of the treasury balance, wrestle with the problem of reducing revenues by cutting the rate.

Governor Morrow's own acknowledgment that "it has not been under-

taken in this message to dwell upon the very important subject of the condition, needs and activities of the State's penal and charitable institutions, nor to cover the demand for the development and extension of the State's institutions of higher education," does not simplify the problem for his successor.

All of Kentucky's institutions are from a century to half a century old, ill adapted to modern methods of administration, expanded from time to time with little regard to economy of operation, and it is estimated that the saving in operating costs would pay a good profit on the initial expense of reconstruction. But a bond issue would not supply funds for the annual maintenance cost of the University and four normal schools on a plane commensurate with the highest educational standards.

#### Little Can Be Cut Out.

Ad valorem taxes—the general property tax to which everybody contributes—including bank deposits, amount to \$6,900,000. If the public schools were abolished, the rate could be cut three-fourths; or if the schools and road department were abolished, provided motor license and gasoline taxes were allowed to stand, ad valorem taxes could be obviated. If the schools, University, normal schools, prisons and asylums were abandoned, this would enable the State to operate on revenues from other sources, and would save the \$347,000 the State pays County Tax Commissioners and the \$317,000 it pays the Sheriffs.

No eliminations would make a very deep impression on taxes, unless schools were included. It would avail nothing to tamper with the Game and Fish Commission, Workmen's Compensation Board, Banking, Blue Sky and Building and Loan Department, the Insurance Department or any of a dozen examining Boards. They are supported by fees and some of them contribute to general revenues.

It may not be generally known how much of the burden of local expenses is borne by the Commonwealth, outside the \$4,300,000 it pays toward the



support of local schools. A summary of its larger contributions includes \$230,000 in salaries of Circuit Judges and Commonwealth's Attorneys, \$222,000 for costs of criminal prosecutions, \$207,000 to juries, \$347,000 for salaries of County Tax Commissioners, \$317,000 for commissions of Sheriffs for collecting taxes, and \$25,000 to County Clerks for making out tax bills, a total of \$1,348,000 outside the school fund, offset by a net sum of \$120,000 from fines and forfeitures and \$121,000, net, from Jefferson County, the only county whose officers are required to live within the constitutional limitation of \$5,000 salary.

### Where State's Money Goes.

The net cost to the State in supporting the courts and County Tax Commissioners, and remunerating Sheriffs and Clerks and Jailers, outside their ordinary fees, is \$1,107,000. Added to this, the school funds make up \$5,407,000 of State revenues, which go toward the support of local and county expenses.

Out of the \$14,700,000 revenues, \$4,300,000 go to schools, and another \$1,600,000 to the University, normal schools, road and sinking funds, leaving \$8,800,000 for general expenditures. Two millions of this from gasoline and motor taxes belong to roads, another \$2,000,000 supports the institutions, \$1,000,000 goes to county and circuit court officers, reducing the fund to \$3,800,000, out of which comes all the salaries of state officers and employes, their expenses and office supplies, support for the Confederate Home, Schools for the Blind and the Deaf, the Kentucky Normal and Industrial Institute, and the Kentucky Children's Home Society. Confederate pensions cost \$300,000, interest on warrants amounts to \$170,000, the Department of Agriculture draws \$136,000, the Auditor's departments \$124,000; the State Board of Health \$205,000; the Tax Commission \$153,000, and when the Governor's, Secretary of State's, Treasurer's, and Attorney General's offices, the Court of Appeals, Railroad Commission, Library Commission, Historical Society, Geological Survey, Workmen's Compensation Board, Military Department, Banking

Department, Public Buildings, Department of Mines, Game and Fish Commission and vocational education are figured in, it will require more than a sweeping generalization to designate out of which enough revenues can be cut to ease the burden of the taxpayers, especially since the requirements of the educational and charitable institutions call for more, rather than less revenue.

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### THE SILVER LINING.

(Courier-Journal Editorial,  
July 5, 1922.)

Today Mr. Armentrout touches upon one feature of the period covered by his investigation of Kentucky's government which has furnished most of the silver lining to the cloud that has shadowed the State. The reform of the tax system, accomplished after years of assiduous perseverance to overcome most formidable obstacles of demagoguery, fallacy, fossilism and ignorant indifference, not only is richly justifying the wisdom of its institution but in itself is a warrant for the hope of other reforms necessary to a modernized Kentucky. After replacing the old tax system with the new, nothing should be regarded as impossible by those who wish to see the State in the march of sound progress.

It is unnecessary to dwell here on the benefits which this reform already has worked. Those benefits now are of common knowledge. As Mr. Armentrout says, "the new tax law has done automatically all its advocates expected of the law itself; it has brought out intangibles, and bank deposits have multiplied on the tax list ten fold. It has produced additional revenues. They amounted to \$9,200,000 in 1917; to \$10,400,000 in 1918; to \$12,200,000 in 1919; to \$11,600,000 in 1920, and \$14,700,000 in 1921."

If the results under the law, incomparably superior as they have demonstrated it to be to the old law, are



not as yet all they should be the defect is not in the law, but in its administration. The Tax Commission has been groping its way, sometimes with stumbling steps, toward uniform assessments. That may yet be reached. It will be reached—and even an equitable coal tax—if the people of Kentucky respond to the lesson which Mr. Armentrout's bit of history teaches and take the government of the State into their own hands.

It is significant that our Governors, since the adoption of the new tax system, have looked to it to supply sufficient surplus revenues to pay off the State debt—that is, in the next Administration. This thing of paying off the State debt is always—after a candidate has been elected Governor—a game of "puss in the corner," with puss ever in the next corner. Governor Morrow did hint six months ago—would he repeat the hint now?—that puss might be found in his own corner. "If," he said, "expenditures are not increased by extravagant appropriations, Kentucky can and will, without any increase in the tax rate, pay off the public debt well within the next two years. When this is done a substantial decrease in the ad valorem tax on real property can be made." And this, notwithstanding the fact that the new law has produced an increase of revenue far more than enough to settle the debt.

It is observable that in official quarters the great desideratum of a sufficient increase of revenue to liquidate the State debt—without cutting down extravagant and useless expenditures—is the resulting ability to lower the tax rate—without cutting down extravagant and useless expenditures. And yet when Governor Morrow spoke of the possibility of extinguishing the debt and decreasing the tax rate he also admitted that he did not undertake "to dwell upon the very important subject of the condition, needs and activities of the State's penal and charitable institu-

tions, nor to cover the demand for the development and extension of the State's institutions of higher education."

But that is a subject which must be dwelt upon when surplus revenues are turned to wiping out the debt. Will the tax rate be then reduced, or will the needs of the State institutions be attended to? Or will it be made possible to answer both these questions affirmatively by the discontinuance of extravagant and useless expenditures? Judging by the story of the last fourteen years, what reason is there for believing that these questions will be answered right until the people dictate the answers?

They are questions which cannot be dodged, whatever effort may be made to pass them on to the "next corner." Mr. Armentrout is well within bounds when he reminds us that "all of Kentucky's institutions are from a century to half a century old, ill adapted to modern methods of administration, expanded from time to time with little regard to economy of operation, and it is estimated that the saving in operating costs would pay a good profit on the initial expense of reconstruction."

The readers of this series of articles should make a marginal note right here, to the effect that the conditions so seriously handicapping Kentucky's institutions and reflecting so unfavorably on Kentucky's humanity are the monuments of the State's misgovernment, which the facts as marshalled by Mr. Armentrout reveal. If we are to have better government it must be through a realization by the people to whom these articles are addressed, that they, as well as the men they allow to go to Frankfort, are responsible for the sort of government we have had.

The hope of better things in this direction is encouraged by the history of tax reform in Kentucky. That reform was achieved not from within, but from without, the State Government.



Governors in their usual perfunctory way did recommend it in general terms and a few progressive spirits in the Legislature did champion it intelligently and loyally. But the real work of impressing the need and the nature of the reform upon the State and of giving the proposed innovation concrete shape was done unofficially by citizens who devoted the time and toil of years to a systematic campaign of education and promotion and who

thus in the end beat down barriers of public prejudice, misinformation and stagnation that had appeared all but insurmountable.

It is because there are no more impregnable barriers between the people of Kentucky and good government that The Courier-Journal is confident that good government can be achieved in the same way that one feature of it, tax reform, already has been achieved.

## CHAPTER V.

### THE COAL FIELDS.

The State Tax Commission has been furnished \$20,000 by the 1922-23 Budget with which to acquire data for an equitable assessment of the coal areas of Kentucky. An observer, inexperienced in such matters, can only bid them Godspeed and wish them well in their undertaking to assess coal in the hill.

There is more than a tax problem, though, in the gigantic enterprise that has grown the last decade within the walled recesses of the Kentucky Appalachians. The extent of it is scarcely realized in other parts of the Commonwealth. Along with development have come increased expenses on the state government and an enormous increase in population, alien to the soil, multiplying the educational difficulties, magnifying the political influence of the section. The problem is no less social, political and ethical than it is economic. It has developed in the decade of 1910 to 1920.

Let the story be told of that vast empire of barely revealed riches, embracing Knox, Bell and Harlan on the headwaters of the Cumberland; Perry on the headwaters of the Kentucky; Johnson, Floyd and Pike in the Sandy Valley, and Letcher straddling the divide. They are a mass group: Harlan, Perry and Pike touch Letcher, yet they are reached by three different railroads and none crosses Letcher. Each division, outside its own watershed, is more comfortably in touch with the Bluegrass or the Ohio Valley than with its mountain neighbors.

This hard, unsociable character of mountain topography, so different from her people's, is typical of an environment that has brought Kentucky both romance and misfortune.

Kentucky's problems and possibilities both arise from geological conditions; and this all pertains to the situation in the coal fields.

Her very political history relates back to those same primordial causes, which left the carboniferous series in the Cumberland Plateau, while they carved its westward face into a rugged, almost impenetrable escarpment, denuded the great central heights down to their floor of Ordovician limestone, and depressed the coal-bearing mountains of West Kentucky, between the Bluegrass and alluvial plains of Jackson's Purchase, once salt marshes of the north gulf coast. Thus was it ordained that the Mountains should have one kind of culture, as geographers use the term, the Bluegrass another and the Pennyrile and Purchase another, and thus was the stage set before man appeared for the slaveless and isolated mountaineers to be Republicans, and the residents of the Purchase, in intimate contact with the South, to be Democrats. Then, as if that were not enough, Time with her pliant tools of air and water drained the eroded eastern plateau with four noble rivers, which shot across the state north and south, threw geographical barriers between sections, whose people already were destined to



be divided into distinct groups in politics and industry, though of one blood, and that the purest of any population in the Union.

The mountain people, cut off from intercourse with the outside world, naturally retained many pioneer virtues, but their hillside land was thin and subject to erosion. They were poor and denied educational advantages. So it obtained until after the census of 1910. Developments had already commenced at that time, of course; mines were being opened and railroad lines extended. Yet the great influx of population did not show in that enumeration. It did in 1920.

All of this group on the headwaters of the three rivers gained. Their section, including some other counties, was about the only one in the State that did gain. Agricultural counties, for the most part, lost in population. Pike, the largest county in Kentucky, grew from 31,679 to 49,477 in ten years; Harlan from 10,566 to 31,546; Letcher from 10,623 to 24,467; Perry from 11,225 to 26,042; Floyd from 18,623 to 27,427. Knox and Bell, earlier in a development and traversed by the Pine Mountain "fault," gained 3,000 each, and Johnson less than 2,000.

Harlan, Letcher and Perry in 1910 were poor counties, in the class with Jackson and Knott in the mountains, Edmonson in southern and Livingston in western Kentucky. Pike, Bell and Knox were even at that time among the more populous of the rural counties. Pike produced a revenue of \$29,000 for the State, less than Marion or Lincoln. Bell produced \$34,000, considerably less than Franklin; Knox produced \$20,000, in the class with Hart; Harlan produced \$19,000; Floyd \$17,000; Johnson \$14,000; Letcher \$12,000, and Perry only \$9,600. They cost the State, net, above the taxes and licenses they contributed: Pike, \$34,000; Knox, \$30,000; Bell, \$25,000; Floyd, \$24,000; Johnson, \$20,000; Perry, \$16,000; Harlan \$13,000, and Letcher, \$11,000.

Pike in 1921 paid into the State Treasury \$107,000; Harlan, \$88,000; Bell, \$87,000; Perry, \$62,000; Letcher, \$55,000; Floyd, \$49,000; Johnson, \$43,000 and Knox, \$41,000.

## Complications With Growth.

The increase in revenues is greater than the deficit in their balance with the State in 1910; but the growth of business and population has increased litigation and crime, and consequent court costs. The school population is greater, and these counties draw a larger per capita out of the state school fund. How the latter is affected is shown by the following table of state school funds paid out to them:

	1910.	1921.
Bell .....	\$36,646	\$67,300
Floyd .....	28,951	51,173
Harlan .....	16,729	56,478
Johnson .....	25,911	36,521
Knox .....	32,403	45,970
Letcher .....	17,201	41,931
Perry .....	18,201	46,593
Pike .....	49,418	99,362

Of course, the per capita itself has been increased; but population is the great factor in the ratio among counties.

Three new circuit court districts have been added to this section to take care of the volume of litigation, and criminal costs and jury fees have practically doubled, excepting in Bell and Knox, where jury fees were enormous in 1910 for some reason.

Some comparisons with agricultural counties and those containing cities may be clarifying. Graves, in the Purchase, was a "pauper county" in 1910; but while Pike's state tax returns increased from \$29,000 to \$107,000 in ten years, state taxes in Graves increased from \$60,000 to \$138,000, without an increase in population, and instead of showing a deficit of \$3,000, as it did in 1910, Graves contributed \$60,000 to the state treasury above what it drew out. Pike, in 1921, was still a \$19,000 liability to the Commonwealth, and every one of these coal counties, save Harlan, in 1921, drew out of the state treasury more than it paid in. Harlan contributed \$9,000 above its own quota. Franklin in the ten years went up from \$49,000 in state taxes to \$111,000, and Daviess, from \$95,000 to \$222,000, both paying in almost twice as much as they drew out.

So much for general taxes, which the state commission is directed to investigate. There is yet another field to explore.



### The "Mining Camp."

A characteristic feature of the eastern coal field is the "mining camp." This group of counties is dotted over with such camps, unincorporated, and some of them as large as fourth class cities. Their populations necessarily are estimated; but there is a school census for comparisons. A person would naturally expect to find a considerable increase in the value of town property, where the county seat is booming and new towns are springing up, ready made. Yet the value of town lots in Harlan, containing Harlan and Lynch Mines, in 1921 was \$1,320,949, which was \$273,000 less than Woodford returned for Versailles, although Versailles has only 672 school children and Harlan 1,424 and Lynch Mines 953. Harlan County's town lot assessment is less than Jessamine County's for Nicholasville.

Even Bell County has a town lot assessment of \$130,000 less than Graves, which contains only Mayfield, while Pineville is a perfect gem of a little city set in a circlet of azure mountains, and Middlesboro is a third class city with a new hotel, Carnegie library and everything.

Letcher contains Jenkins with 1,904 pupils; Fleming with 433, both mining camps, and Whitesburg with 323 pupils, but the total assessment of town lots in that county was only \$499,000.

These big, unincorporated mining camps are assessed as farm land and improvements. Each is absolutely controlled by the operating corporation. It owns the hotel, usually a fine one, it owns the picture shows and it owns the commissary, which has the exclusive trade of a crowded community, equal to a fourth-class city. The resident of one of these cities can calculate the rental value of a building, leased with the exclusive privilege of handling all the merchandise bought by the inhabitants, and arrive at an inadequate idea of what such a building is worth; inadequate, because the mining camps have incomparably so much more spending money. Their inhabitants have no opportunity to purchase homes, little incentive to save and nothing in which to invest their savings.

Commissary prices are said to be  
Thirty-one

lower than the average and they are operated as much for the accommodation of the population as for profit; but they, undoubtedly, do make a profit. Script is issued to employees by big enterprises, like mines, and accepted at the commissaries. It was Bannie Tabor's bill to make commissary script legal tender at independent stores that had the misfortune to get lost before it was enrolled the last day of the 1922 General Assembly.

### Realty Values Puzzling.

Real estate values in these camps are difficult to determine because transfers are rare; but in 1913 J. H. Bentley was awarded \$43,000 in condemnation proceedings for an acre in Jenkins, and the Court of Appeals affirmed the judgment. An acre contains eight 50-foot lots, 100 feet deep, with a nine-foot alley through the block; and a valuation of \$107.50 the front foot away from Main Street probably would make a fourth-class city realtor open his eyes.

Still there is an element of depreciation, justly claimed for mining camp property. They assert that when the coal is exhausted, all the equipment and the town itself are worthless and a dead loss; but people who spend a million dollars on a tippie and half as much on a hotel, establish a city with sewers, water supply, electric lights and paved streets, and induce a railroad to build fifty miles of heavy mountain construction, are not exactly nomads, either.

These quaint, well lighted, well drained, well governed cities, set down in the heart of the wilderness, have brought a new day to the mountains. Railroads have penetrated their fastnesses, new blood and new ways of living have been carried into primitive communities. Kentuckians, acquainted with the effects of industrial development, where manufacturing concerns attract workers and open a market for the countryside, will not be surprised that they have wonderful schools in the mining camps. They are scientifically constructed, well equipped and under first-class instructors, but they are graded districts. Every big mining operation and the



best, if not most, of the railroad mileage are in these districts. They pay no county school tax.

### **The Mining Camp's Schools.**

Concerning these fine schools, the 1921 Educational Survey report says:

"The administration of the graded school districts in the coal-producing counties calls for special comment. The coal companies appear friendly toward public education, enter actively into their management, and seem to be doing a great deal more for the schools than the law requires. But the arrangements are not infrequently of a paternalistic character. For example, a coal company builds and pays for the school house, and either rents or gives it rent-free to the board of trustees. If the funds available are not adequate for current maintenance, the company makes up the deficit. The company thus keeps itself before the community as a patron, and appears to be doing more than its bare duty to the community. In many cases, however, if the usual tax was levied, the community could do all these things—and more—for itself. Besides, it would own and control its own school plant; the school patrons would be accustomed to paying school taxes, and the community would have a self-respect impossible so long as it is the beneficiary of a corporation.

"In some places the law is plainly ignored. To illustrate; in certain districts no school tax is levied; the coal companies, without authority of law, hold out a certain amount monthly from the wages of the miners, which, along with what the companies donate, goes to support the school. The companies lead the communities to believe that they are expending far more than their ordinary school taxes, whereas in some instances they are saving hundreds, perhaps, thousands, of dollars annually."

These are the schools where the miners' children go, organized, if not with altruistic motives, at least with a commendable desire to reduce the labor turnover by making living conditions satisfactory. But what of the native Kentucky mountaineers, pure-bred descendants of the original Anglo-Saxon settlers? How do they fare?

### **Mountain Rural Schools.**

The Survey pictures their schools, too:

"The great majority of rural schoolhouses are one-room, box-like structures, essentially alike. They vary in size, number of windows

and in having or not having porches; but in all essential respects they are alike and almost all bad.

"Half are in ill-repair. The roofs leak, the weather-boarding is off here and there, doors are broken, knobs gone, window panes out, walls stained, floors uneven and cracked, seats broken and a pall of dust over all.

"A galvanized bucket with a common drinking cup takes the place of the sanitary fountain; lavatory facilities are nonexistent. The black-board usually consists of the front wall and a few side wall spaces painted black, and is, as a rule, useless, because of wear."

Globes, maps and charts are rare.

"The bulk of very poorly trained teachers are in the rural schools, where 77 per cent have had less than a full high school course, and 30 per cent have, themselves, never advanced beyond the elementary school.

"A young, untrained, undirected teacher holds school during 113 days out of 365; her school includes children from 6 to 16 years of age; they are divided into not less than seven classes and attend with distracting irregularity. She is, somehow, expected, nevertheless, to teach to every age group in these seven unstable classes, a half dozen to a dozen different subjects."

There is little more in those mountains to tax than there was ten years ago, excepting the coal operations themselves and the railroads. These are incorporated in independent graded districts and do not contribute directly to the support of the rural common schools, though the taxpayers of the Bluegrass and the Pennyrite and the Purchase contribute through the state fund to both, the mountain common schools and the mining camps' graded schools.

### **The Graded Districts.**

When such familiar names as Straight Creek, Lone Jack, Four Mile and Kettle Island in Bell are attached to graded districts, anyone can appreciate what wealth is available for the education of the 1,004 youths within their boundaries, and how little is left to tax for the education of the 6,636 native Kentucky boys and girls up the hollows and among the spurs of Pine and Black Mountains.

Floyd has Prestonburg, Wayland, Weeksbury and Wheelwright districts with 718 pupils, and 7,248 in the com-



mon schools; Harlan has Evarts, Wallings Creek and Lynch Mines districts with 953 pupils, and 6,418 in the common schools; Johnson has East Point, Paintsville, Van Lear and Jennie's Creek districts with 1,412 pupils, and 4,799 in the common schools; Knox has Artemus, Gray, Whitesburg and Wilton districts with 902 pupils, and 5,994 in the common schools; Letcher has Jenkins, Colson, Fleming and Whitesburg districts with 1,904 pupils, and 5,159 in the common schools, and Pike has Elkhorn, Hardy, Hellier, McVeigh and Stone districts with 1,432 pupils, and 13,048 in the common schools.

McCreary, one of the poorest counties in the State, aside from the railroad and the Stearns operation, has a fine school at Stearns, where the 350 pupils lack nothing in the way of facilities; but outside the graded districts of Stearns, Barren Fork, Flat Rock, Greenwood, Pine Knot and Whitley City, the common schools make out with less than \$10 per capita, and the State of Kentucky contributes \$6.10 of that.

#### **Where Politics Enter.**

While other sections of Kentucky indirectly feel the burden of supporting courts and schools in that section, the native residents of the coal-producing counties are getting the worst of the deal. They have neither roads nor good schools. Yet, their Senators and Representatives in the General Assembly without exception have the coal industry on their hearts and minds. When the Crowe Coal tax bill, providing for both county and State, reached the Senate five years ago, it fairly ran into an ambushade. It was late in the session and on a Saturday afternoon. Legislators from Central Kentucky had arranged to go home, leaving a sufficient number with the Lieutenant Governor, James D. Black, of Barbourville, to receive and refer

all bills that might come over from the House. The Crowe bill was one of them. Immediately a motion was made to "postpone it indefinitely" and the point of order was raised that a quorum was not present. There were only nineteen of them; but all the Senators from coal districts were on hand.

The Constitution fixes the number of Senators at thirty-eight, and says "not less than a majority of the members of each House shall constitute a quorum," but one Senator had died, and the Lieutenant Governor held that there were only thirty-seven Senators, so nineteen constituted a quorum. The bill was killed forthwith.

At the last session Senators from coal counties frankly admitted they voted for the Thompson tax bill in the hope that the tonnage tax would not be pressed in the House.

Political conditions in the coal fields are whatever they may be, unrestrained by the safeguards demanded by the Constitution. Thirty years ago the framers of the Constitution thought the purity of the ballot so imperiled in congested centers, even where the population is native, that they instructed the General Assembly to "provide by law for the registration of all persons entitled to vote in cities and towns having a population of 5,000 or more."

Suffice it to say, that mining camps of 5,000, each owned by one concern, which employs all its inhabitants, are unincorporated. Their populations are foreign speaking, or alien, whose knowledge of Kentucky was gained from the car windows as they were being transported from the coal fields of Ohio, Pennsylvania and West Virginia, and the shifting masses of voters in their crowded precincts are not required to register.



## CHAPTER VI.

### POLITICAL JOBS.

No single Governor Kentucky has had since 1808 has failed to denounce his predecessors for creating useless offices. The state payroll, taken from the Auditor's report, has been used in each campaign as telling and concrete proof of the "extravagance and waste" that produced and perpetuated the state debt. The payroll under Beckham was shown by Willson to be \$275,000, and this was used by McCreary as a comparison with \$323,000 under Willson. That, of course, in turn was employed in the same way by Morrow in 1915; for it had grown, according to the Auditor's report, to \$376,000 in McCreary's time. It was \$393,000 under Stanley, and it is more now; though that deceptive column does not appear in the budget.

In successive campaigns the resources of English idioms were exhausted by four accomplished rhetoricians in denouncing so profligate a waste of the people's money. Words must have failed them, had they learned the truth, which is, that not one of them ever guessed within \$8,000,000 of what the state's payroll actually amounts to. And that isn't all they didn't know about the payroll; for, if all the employes at the Capitol, regardless of whether they are useless or not, were discharged and all the jobs, excepting constitutional offices and those necessary to man the schools and institutions, were abolished, it wouldn't save enough to reduce taxes the half of a cent on the \$100.

#### How Offices Are Abolished.

The survey idea grew out of this notion of abolishing "useless offices." Governor Stanley in his inaugural address declared that every unnecessary office should be immediately abolished. The Senate appointed a special committee to look into the matter. It sat a few days and as a result of a hastily prepared report, the Automobile Department was put under the State Tax Commission, otherwise an assessing, not a collecting, agency, without reducing the overhead; De-

partments of Forestry and Geology were combined to the embarrassment of the former and detriment of the latter, and a few other changes were made. The committee admitted that it did not have time for an investigation, but the members did observe enough to warrant them in recommending the appointment of a recess committee to go into the subject thoroughly. A bill, embodying the recommendation, passed the Senate, but was tabled in the House on motion of Representative W. F. Klair of Lexington.

Governor Morrow renewed the idea of abolishing useless offices in 1920. He was specific. He marked for destruction the Motor Vehicle Department, the Fire Marshal, State Insurance Rating Board and State Forester. The Motor Vehicle Department at that time had a chief clerk, three inspectors, four clerks, three stenographers and a porter with a total payroll of \$19,440. Its annual expense was \$76,000. It was abolished, and the County Clerks were directed to issue motor licenses. The department, now that it has ceased to exist, according to the Blue Book, January, 1922, has a payroll of \$16,740, with a chief clerk, three other clerks, four inspectors, a stenographer and porter. Its expenses for the year ending June 30, 1921, were \$84,000.

The Forester was abolished with a \$15,000 appropriation and added to the Department of Agriculture with a \$6,000 appropriation.

The Fire Marshal and Rating Board were totally consumed in the flames of executive irony; but there was erected by the same Act the less personal, if more impressive, Bureau of Fire Prevention and Rates, with the fees intact, all patronage loss to the Auditor having been fully covered.

#### The Efficiency Survey.

To the 1922 session, Governor Morrow recommended a survey by an expert. The Lawrence Act substantially conforms to the recommendation, the difference being that it provides



for a commission, appointed by the Governor, with authority to engage whatever expert assistance it requires within the \$25,000 appropriation.

In view of the reiterated charges of waste, extravagance and useless offices made by the successful candidates for governor in four campaigns, a careful search was made to find what waste and extravagance and useless offices they had unearthed during their years in office, and what they had done to curtail them. Nothing was found. According to the records, the 1918 General Assembly, on its own initiative, instituted the first effort that evinced an appreciation of the magnitude of the State's business.

The frame work of the government is known to every school child: a government of laws, consisting of a legislative branch of 100 representatives and thirty-eight senators to make the laws; a judicial branch, consisting of seven judges of the Court of Appeals and forty-three circuit judges to interpret the laws; an executive branch composed of a Governor, Secretary of State, State Auditor of Public Account, State Treasurer, Attorney-General, State Superintendent of Public Instruction, Commissioner of Agriculture, Labor and Statistics, a clerk of the Court of Appeals, and Railroad Commission to execute the laws.

In operation, however, its police powers and administrative activities cover a vast field. There are appointed by the Governor the State Board of Charities and Corrections, having charge of four asylums, two prisons, the Houses of Reform and Institute for Feeble Minded; the Game and Fish Commission, the Banking Commission, the State Highway Commission, the Workmen's Compensation Board, the State Tax Commission, the Confederate Pension Commission, the Kentucky Library Commission, the State Board of Health, the State Board of Agriculture, the State Livestock Sanitary Board, the Adjutant General, the State Inspector and Examiner, trustees of the University of Kentucky, Normal and Industrial Institute, the School for Deaf, the School for the Blind and the Confederate

Thirty-five

Home, regents of the Normal Schools, the State Racing Commission, directors of the Geological Survey and various examining boards for technical professions.

### 15,000 Employees of State.

The State Auditor has under his patronage the Insurance Department and the Bureau of Fire Prevention and Rates.

Even that is a simple outline. As a matter of fact, 840 county officers, 13,000 school teachers, the faculties of the educational institutions, the personnel of the State institutions, all the departmental clerks and forty-three circuit judges and thirty-six Commonwealth's attorneys comprise a grand total of some 15,000 employees and a state payroll of approximately \$8,500,000. They multiply the responsibilities a Governor assumes when he becomes the head of an organization turning over \$16,000,000 in cash every year. He has under him, employed by the State, representatives of every known profession, trade and science, and every type of human character.

The State conducts schools of every kind—for bad boys and girls and for good boys and girls, for the ambitious, the delinquent, the defective, and for those so maimed by injury that they have to learn a new trade. It trains teachers for all these schools and it maintains a college. It furnishes power and light for seven factories; it lodges and clothes and feeds 6,000 persons; it values every bit of property of every description every year, builds roads and bridges, sees to the fish and game supply, and its police powers touch every profession and industry within its borders.

It would seem that a Governor would be kept busy hunting down in four short years all the possible extravagance, waste and useless offices in this vast establishment. It must be admitted that the executive toe, figuratively, has lifted some office holder out the front door of every department and institution in Kentucky; but there are front doors of departments and institutions that literally haven't swung open in fourteen years to admit the executive foot.



## The Public Institutions.

Public institutions, schools and roads consume the greater part of public revenues and employ a large majority of the public office holders. The status of the institutions was revealed by a survey when a nonpartisan Board of Charities and Corrections undertook their reformation.

The prisons had been merely places of incarceration, subjected to sporadic disorganizing experiments in amateur reform. Even the parole system bore the implication of sentimental consideration. Its administration was generally quite as much a matter of politics as the granting of a pardon, and, if any supervision was maintained over hundreds of paroled convicts, the records have disappeared.

Venereal diseases were taking their toll at the prisons and asylums alike. Now no man is discharged until he is cured, even if he has to be restrained under quarantine after his term expires.

At the asylums insane of every type, curable and incurable; epileptics, the most dangerous class known, and criminal insane, were quartered together with little idea of segregation beyond convenience in handling. They sat about all day idle, with nothing to do but muse on their own hallucinations. There was not an open ward in the State. There is now, and occupational therapy—the employment of everybody at some occupation, however light and negligible—is winning patients back to normality and reducing trouble in the “disturbed” wards to an unheard-of minimum.

There were no clinics; there were no observation wards; no thorough mental or physical examinations. Or if there were, there is no record, and it does not seem possible that the small staffs, with which the institutions were manned, and their meager equipment, could have been equal to the task. The superintendents could not be blamed; it was the “system.”

Many good and capable men occasionally have sat on boards, but their initiative was hampered by legal restraints and their efforts neutralized by the “system.”

Only a Dickens could describe con-

ditions at the Houses of Reform, where little boys were shut in a dark, unwholesome dungeon as punishment for delinquency, attributable often, it has been disclosed, to defective vision, adenoids, bad teeth or diseased tonsils; where, ragged and uncared for, they earned 15 to 25 cents a day for the State by their toil in a factory that made wire rat traps.

Successive grand juries did not do justice to the Institute for Feeble Minded Children. The inmates were dirty, ill-clothed and ill-fed in winter, and a veritable epidemic of trachoma was working havoc among them when the present board began its medical examinations.

The physical plants have been subjected to the same expert inspection as the inmates by the Board of Charities and Correction. The best engineering advice has been obtained, and the plants are being brought up to as serviceable state as their age and construction will permit. The Board has standardized the supplies and established an operating audit for all the institutions.

## Schools in Campaigns.

Schools always have figured in state campaigns, party platform platitudes on this subject being reduced almost to a formula; but never do they seem to have been considered from an economic point of view. “Pointing with pride” has been the rule the last part of the period until the Educational Survey was heard from.

Governor McCreary expressed gratification over the result of the 1912 compulsory attendance law, and Governor Stanley, something like a year before the invalid 1919 textbook adoption, told the 1918 General Assembly that “the school system has been made more efficient by Acts preventing sudden and unnecessary changes in textbooks.”

Governor McCreary remarked in his 1914 message, though not in opposition, that illiteracy had been reduced 94,000 the last year and the rural school attendance brought up to 48 per cent. What he meant, of course, was that 94,000 adult illiterates had been taught to scribble their



names and spell out simple words, and the converse of his exposition of the school attendance necessarily was that 52 per cent, or 200,000 rural children out of school, formed a reserve for replacements that was filling gaps in the ranks of adult illiterates with a large annual increment.

Governor Willson entered office at the very beginning of an educational revival and J. G. Crabbe was the State Superintendent. The Beckham administration, by revising the tax rate, provided the schools with an annually increasing revenue, and established a state standard and price for textbooks. Then, in 1908, for the first time the Kentucky General Assembly made local support of public schools mandatory.

Superintendent Crabbe entertained no illusions about educational conditions and the Governor quoted him freely. He calculated the average attendance at 44 per cent and surmised that half the \$3,000,000 distributed among the schools annually was being "squandered through neglect, carelessness and incapacity" of local agencies, a surmise that now, after the lapse of ten years, becomes attested verity on the proof submitted by the Educational Survey.

The state of attendance, though showing an average of 56 per cent, some 480,000 children out of school, was worse than Superintendent Crabbe apprehended. Had it been correctly assumed that the other 311,000 children were attending regularly, allowing for the number between 15 and 20 who had finished the grades, or were attending private schools, and youngsters who didn't start at 6, the situation would not have been so bad. But the survey shows that the present average of 71 per cent attendance in rural schools is a mean between a maximum of the total enrollment at the opening of the term and a minimum toward its close of less than 20 per cent. By actual test, with an average attendance of 71 per cent in 1921 fewer than half the rural children received as much as 60 days of schooling during the year.

If what Superintendent Crabbe surmised in 1910 and the Educational Survey of 1921 observed continued

throughout the years between, the State of Kentucky, in twelve years distributed to the common schools \$40,000,000, of which \$20,000,000 was wasted along with untold millions of local school taxes; because no provision was made for adequate inspection and supervision of the public schools.

### State Highway.

It may be the "good roads" spirit temporarily overshadowed the ardor with which educational progress was urged the first decade of the century. Whatever the cause, public schools received rather perfunctory, if prominent mention until 1920; but no time was lost thinking about the problem of road improvement before it was undertaken. The State Road Department is six years younger than the state debt, and 120 years younger than the Commonwealth; yet it has a debt of its own of \$3,000,000, more than half as much as that of the Commonwealth.

The department was created in 1912, an advisory force of engineers, whose services were practically at the behest of fiscal courts. Two years later Governor McCreary assured the General Assembly that "the road system has proved satisfactory." At that session a five cent road tax was added to the state levy and an inter-county seat system sketchily defined, which was to be constructed with state aid and maintained by the counties. The system was 6,400 miles long, as nearly as could be estimated, and a calculation, apparently not considered essential at the time, puts the cost of construction at somewhere in the neighborhood of \$200,000,000. The state road fund amounted to only \$700,000; but the Democratic platform of 1915 solemnly gave assurance that the people might expect the completion of this ambitious project in three years and have a fine system of highways connecting all the county-seats.

It was discovered though, that only well-to-do counties could take advantage of state aid. So, in 1916 the plan was amended by graduating the amount of state aid to the county assessment, and permitting a county to procure state funds by forgiving the State whatever percentage the



county might have been entitled to, if it had funds of its own to meet state aid, which it didn't. Thus the system continued until 1918.

Governor Stanley in his message to the 1918 General Assembly exclaimed, "wise and well considered laws have been passed, extending and improving highways." That session made provision to accept federal aid, which requires high type construction, and started the State on the policy of putting in fragmentary sections of trunk line projects wherever local funds could be raised to meet the federal appropriation.

The 1920 session relocated the whole scheme, adopted a primary system of state highways only 3,000 miles long, created a commission and gave the state department absolute control over contracts and construction, involving state aid. The new department inherited a debt of \$5,000,000 for county advancements, old state aid contracts under construction, other projects under the old law to which the State was committed, and a policy of patch-work federal aid projects, already entered upon. During the intervening period up to 1920, 4,000 miles were surveyed, much of which will never be constructed by the State; twenty-eight counties, under the spell of broadcast propaganda, voted bonds; more levied a special tax. Not less than \$25,000,000 was spent on highway projects, besides \$5,000,000 applied annually by fiscal courts to local roads. And most of the roads long since have fallen into disrepair, as evidenced by their failure to come up to the standards for state maintenance.

#### Isolated From Railroads.

Throughout the years of experimentation, earnest legislative efforts failed to extend the work outside the counties that can help themselves. After ten years the counties, containing Kentucky's billions of wealth in undeveloped natural resources, remain isolated both from railroads and market roads.

Other poor counties, whose courts and schools largely subsist off state revenues collected from their more prosperous neighbors, now can claim

credit for equal neighborliness, according to their capacity to contribute ad valorem, motor vehicle and gasoline taxes toward the rehabilitation and maintenance of wealthier counties' highways.

The state road fund amounts to \$3,000,000 annually, but a half million must be set aside annually to reimburse counties for state aid advancements. Maintenance will take as much more, and the balance is mostly tied up with local contributions to meet federal aid on trunk line thoroughfares. Maintenance shortly will absorb the whole fund, and reconstruction of the growing mileage of macadam pikes ultimately must be financed.

Within a decade Kentucky has relocated and reconstructed her paper highway system; but much of the preliminary thinking still remains to be done.

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#### MORE FRUITS OF MISGOVERNMENT.

(Courier-Journal Editorial,  
July 7, 1922.)

The problem of an equitable taxation of the coal areas of Kentucky has been approached from various angles in recent years, but its solution is still in the future. It must be solved, not only to require the coal regions to bear their share of the cost of government, but especially in the interest of the poverty-oppressed native population of the coal counties, whose condition in comparison with that of the anomalous mining camps is intolerable. If the problem is to be solved satisfactorily it must be taken by a business administration out of the spheres of "politics" and "invisible government." In the preceding paper of Mr. Armentrout's serial his exposition of the situation, with its historic background and baffling "underground," will be new to most Kentuckians.



Most of the facts presented by Mr. Armentrout today are little better known by the people generally, whose interests are intimately affected by them. Political campaigners usually indict the other party for the conditions attributable to those facts, but that is mainly a matter of course and a matter of custom, for they are not much, if any, better informed about the facts than are the audiences they undertake to enlighten.

Representatives of both political parties make much ado about the great saving that should be effected by the abolition of "useless offices" and promise to distinguish themselves as abolitionists. But the spasmodic movements made to redeem that promise result, where they result at all, in the shifting or merging of a few comparatively unimportant offices, sometimes at an increase of expense instead of a saving, and in more instances than one at an impairment of service.

A bill for the appointment of a committee to make a thorough survey with a view to ascertaining what are the useless offices that should be abolished failed to get through the General Assembly. But even if the survey had been made it is by no means sure that any material benefits would have followed. Undoubtedly offices are useless under the present official system of the State that would be highly useful if that system were properly administered by an administering head. There are some 15,000 offices in the system, and the way to put the useless offices out of it is to get the great official machine into efficient running order, performing, like a piece of good machinery, the functions for which it was created. That done, the useless offices—the "idle" wheels and "neutral" gears—will soon become apparent; the useful and the useless offices clearly self-differentiated.

But this great machine cannot get into efficient running order without a real head. The law makes the Gov-

ernor the nominal head; it is for him to make himself the real head. It would be a stupendous, an impossible, task for him to attempt to assume personal responsibility for the proper performance of their duties by the officeholders under him, except as he exercises responsibility through the organization, the machine, which he constructs and should direct. The trouble is that he makes that machine too much a political machine, instead of strictly a machine for doing the work of the State, such as it was meant to be by those who designed it and placed him at its head. When a Governor becomes a "Chief Executive," as the Constitution intended him to be, and runs the executive machinery of the State as the Constitution intended it should be run, regardless of personal or party politics, he will not have to guess what are the useless offices or call upon a committee to find them for him.

The magnitude of the official machine which the Governor heads is well indicated by Mr. Armentrout today. It is fair to note, however, that for the costly defects of the judiciary the Governor's responsibility is not so great as that of the Legislature, if we close our eyes to his failure to meet fully his responsibility of leadership in the work of the Legislature.

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The shortcomings of the school system are perhaps more familiar to Kentuckians than the details of most of the subjects with which Mr. Armentrout deals, having figured conspicuously in all recent campaigns. But the facts which he cites add further emphasis to the recognized failure of anybody to keep the promises, which everybody has been making, to give the State the schools which it must have if it is to take the place among American Commonwealths to which its riches and opportunities entitle it and which its duty demands. Kentucky's backwardness in education is notorious. Not Mr. Armentrout, but the authoritative Educational Survey of 1921 is responsible for the indict-



ment that in twelve years the State distributed to the common schools \$40,000,000, of which \$20,000,000 was wasted, in addition to untold millions of local school taxes.

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The melancholy story of Kentucky's roads is probably as well known as that of Kentucky's schools. Everybody hears much of good roads, but few Kentuckians ever see them, unless they are fortunate enough to live in certain limited regions which make and maintain their own good roads as well as talk about them. Outside of those regions Kentucky's good roads have been "on paper." Vast systems have been constructed on paper, where they have invariably remained. The steps that have been taken toward getting them anywhere else have been uncertain, blundering and futile. They have been that because they were taken in ignorance of how to build good roads; how they were to be maintained if built; how the necessary supply of funds was to be insured. Good spots of roads have been laid, but most of them have not remained good spots because no adequate provision was made to keep them good. Mr. Armentrout thus sums up the present situation:

The State road fund amounts to \$3,000,000 annually, but a half million must be set aside annually to reimburse counties for State aid advancements. Maintenance will take as much more, and the balance is mostly tied up with local contributions to meet Federal aid on trunk line thoroughfares. Maintenance shortly will absorb the whole fund and reconstruction of the growing mileage of macadam pikes ultimately must be financed.

The hope of better things is encouraged by the fact that our ignorance is being dispelled. We are learning what must be done to build

good roads and keep them. The Legislature at its recent session did something to modify the law in that light. Best of all, it put the work in the hands of General Sibert, who will get all there is out of the available resources, with not a cent diverted to favoritism or politics. With him in command, Kentucky will yet have the good roads it talks about—if the people of Kentucky will only take charge of their government.

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The most depressing feature of Mr. Armentrout's paper today is his relation of the conditions prevailing in the penal and charitable institutions before the creation of the new Board of Charities and Corrections. It is almost incredible that in this age, in this country, such conditions should exist. That they did exist until so recently should still shame every Kentuckian. It is to the everlasting credit of Governor Morrow that he felt this shame and stood true to his campaign pledge to appoint the Board of Charities and Corrections, and it is a credit to the Legislature that it resisted the efforts of the spoilsmen of both parties to destroy that Board. It has worked wonders within its powers, handicapped as it is by antiquated buildings and inadequate funds. Nothing is surer than that it will make these institutions the pride instead of the shame of the State whenever it is given the authority and furnished the funds.

That there is little prospect of that until a new order succeeds to that of the last fourteen years at Frankfort, is one of the several urgent reasons why the people of Kentucky should compel a business administration of State affairs.



## CHAPTER VII.

### PARDONS AND PAROLES.

"The supreme executive power of the Commonwealth," says the Constitution of Kentucky, "shall be vested in a Chief Magistrate, who shall be styled the Governor of the Commonwealth of Kentucky."

The Governor shall be "commander-in-chief of the army of the Commonwealth; he shall have power to fill vacancies; he shall have power to remit fines and forfeitures, commute sentences, grant reprieves and pardons, except in cases of impeachment; he may require information in writing from the officers of the Executive Department upon any subject relating to the duties of their offices; he shall give the General Assembly information on the state of the Commonwealth and recommend such measures as he shall deem expedient; he may on extraordinary occasions convene the General Assembly; in case of disagreement between the two Houses with respect to the time of adjournment, he may adjourn them to such a time as he shall think proper; he shall take care that the laws be faithfully executed."

That is all set down in the organic law of the land.

Politically, the Governor of Kentucky is invested with the supreme attributes of sovereignty so far as a sovereign people have surrendered their immunities to the Government. He may call out the State's military arm to enforce his orders; he may veto legislation enacted by a co-ordinate branch of government; he may "remit fines, commute sentences and grant reprieves and pardons."

The power to pardon, to forgive offenses against the law, for which the culprits have been tried, convicted and sentenced, is of the very essence of supreme authority, equal in degree to the power to punish, to call to arms. It is sovereign grace, exercised by family heads in the simplest known form of social organization, cherished by monarchs as a personal prerogative and preserved through revolution to come down as Grace Abounding to the politically elect in Kentucky.

Some element of justice may have entered into it, but until kings went out of fashion and democracy came

into its own, exercise of the pardoning power was always a matter of personal privilege. Once, not 200 years ago, all felonies were punished by death. Except for this sovereign grace, the only escape from the headman was the Benefit of Clergy, introduced by the clergy to encourage literacy after governments began to become popularized. Good, old Saxon forbears, who clubbed and stabbed their way to liberty, remembered the galleys and the block. They willed that no innocent person should suffer; so they retained the pardon power.

#### To Be Done Discreetly.

In Kentucky the people, when they adopted their Constitution, reminded their Chief Magistrate that the power was to be exercised discreetly. He is enjoined to give a "reason" in writing when he grants one, as if they thought he ought to confine himself to cases wherein a shrewd criminal lawyer with fifteen peremptory challenges had failed to draw an unprejudiced jury, and the seven learned Judges of the Court of Appeals had nodded over the record.

But, somehow, that original taint of personal privilege clung to the power; the courts would have to hold under the Doctrine of Contemporaneous Construction that the word "reason" in that section of the Constitution is synonymous with "excuse."

Two thousand convicts in the prisons, and twenty times as many of their relatives, and thousands, who have done their time and want to vote, are scheming to bring what influence they can, of hope or fear, to bear upon the Chief Magistrate of this Commonwealth to undo the work of courts and juries. The appeal for clemency is presented as a personal matter between man and man; the Governor's emotions are wrought upon, his close political friends besiege him for this small favor, which concerns nobody but the prisoner and his family.

Those friends of the Governor usually see a chance to promote their own political prestige—maybe, sometimes,



to enrich themselves; for a man, who wants out of prison or to escape the death chair, will pay any price, will stop at nothing. The Governor gets no credit.

The pardon-seekers are much obliged to the politicians, who have "pull" enough to "work" him, and once a politician acquires a reputation for ability to procure pardons he is embarrassed by demands upon his service. He has to make good with his following. Then, when the Governor finally is compelled to refuse and ruin his prestige, the politician, forgetful of past favors, becomes the bitterest critic of the administration. Ask any Governor the last year of his term.

In fourteen years 1,843 persons, convicted of crimes, have received clemency in the form of pardons, remissions or commutations of sentence.

That approximates the average population of the two prisons during that time; but the comparison can not be reduced to percentages, for the pardon is often a remission of a fine or jail sentence, commutation does not always mean freedom, the sentences vary and the prison population is shifting. The figures would indicate, however, if the pardoning power were conscientiously exercised, that there is an appalling frequency of miscarriage of justice in Kentucky.

#### Under Four Governors.

Pardons under Willson, McCreary and Stanley ran along about evenly as to numbers, averaging 550, with McCreary leading, Willson second and Stanley third. Governor Morrow, if he stops now, will have a record of about two-fifths that average.

Willson's outstanding act, all recall, was the liberation of Caleb Powers and Jim Howard, convicted of complicity in the conspiracy to assassinate Governor William Goebel. Since the charge that he would set them free was made in the 1907 campaign from every "stump" in the State, Willson may have regarded his 17,000 majority as a mandate from the people. It did seem mean to the Democrats, though, for him to discriminate against Henry Youtsey, who from their point of view was the only one to bring forth "fruits meet

for repentance." So Henry's turn came when the Democrats returned to power.

#### McCreary Followed Path.

Governor McCreary in his acts of clemency followed the custom of the times, unless note is taken of an old-fashioned gentleman's impatience with a law, which sends a man to jail for "totin' a pistol." If anyone, convicted of carrying concealed a deadly weapon during his term, went to jail, it was his own fault.

Governor Stanley's pardons were accorded considerable public attention at the time. His exercise of the power was distinguished by his bold contradiction of the opinions of the Court of Appeals on facts, to which he had access. In this regard his most noteworthy beneficiary was not the wealthy Whitesburg gentleman, who shot a man in the back as the man was leaving the court house after deposing in his suit against the slayer for alienating his wife's affections.

Neither was it the member of an influential Irvine family, whose defense was that he fired in self-defense from the darkened street, where he was being stalked by a man in his night shirt in a lighted residence. It is the pardon of J. S. Head, Jr., Ashland banker, convicted of making false entries to defraud the bank, that is outstanding, both because it so remarkably presents the irreconcilable conclusions of the highest court and chief magistrate from the same state of facts, and because it is the case in which the Court laid down the rule that "the day has long since passed in which mere technical or unsubstantial errors or omissions in an indictment will constitute reversible error."

#### Court Held Him Guilty.

The Court declared, affirming the sentence, that "the evidence fully supports the charge made in the indictment." The Governor was equally positive in his "reasons" for the pardon, that the prisoner was "a victim and not a culprit," and "the offense at most was one simply of bad judgment." Head's "bad judgment," according to the Court of Appeals, was in defraud-



ing the bank of \$3,500 and making false entries to cover it up, as was clearly established, and supported by ample proof of other similar acts on his part, showing that he was systematically falsifying the books to get money for himself.

On the other hand, Governor Stanley resisted throughout his term the strongest pressure for the pardon of George Alexander, a banker of Paris.

Indeed, it may be said of all the governors that they refused more pardons than they granted, many of the prisoners to whom they denied clemency were worse than the ones they set free; and they are entitled to some credit for moderation, at least, in that they did not grant one-fourth as many pardons as they might have.

Governors, however, do not always avail themselves of criminal court records to check up the ex parte presentation of pardon applications, and

not until one year ago, and in Franklin County, seat of government, was it officially proclaimed and set down by due process of court that pardons are not a personal, but a public matter. That is what was done when Maurice Galvin, Republican State Committeeman of Covington, was indicted on a charge of conspiracy to procure the pardon of "John Doe," alias Frank Blair, a mysterious highwayman, whose family, residence and friends, both Mr. Galvin and the Governor said they knew nothing about.

Mr. Galvin was acquitted by direction of the court; the evidence was not sufficient to support the charge. But the Chief Magistrate of the Commonwealth of Kentucky, now and hereafter, has been put upon notice by a grand jury of the people that they are interested parties to petitions for pardon as much as to criminal prosecutions.

### Enter the Parole Plan.

Abuse of the pardoning power is the wickedest, and, at the same time, the weakest kind of "practical" politics; and there is little excuse for pardons, now that a new form of probationary grace has developed in the prison system—the parole. The words "pardon" and "parole" have become as much confused in the public mind as "reason" and "excuse" in the executive vocabulary.

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cabulary. They are essentially the antitheses of each other.

A pardon presupposes innocence or mitigation; the parole presumes established guilt. A governor once pardoned a man because the prisoner was the only one who had ever admitted his guilt to him. Seldom does the parole board hear a plea of innocence or even mitigating circumstances. Facts connected with the crime, that never were given the jury, are related to the board by the perpetrator in bald, unsoftened details.

The Court of Appeals has distinguished pardon and parole; because, of course, the first question that arose was whether the parole is an infringement upon the pardoning power. It calls pardon an act of "grace," and parole a "disciplinary measure."

The same public, which decries leniency in permitting privileges for good conduct within the walls and granting paroles, is horrified at the lash. Both are disciplinary measures, and the prison management either must treat the prisoner as a brute and use him brutally, or by education, moral influence, work and the inducements of reward, win the co-operation of the prisoner through self-discipline.

The parole is not entirely a reward for good conduct inside a walled inclosure with armed guards on the walls and guards with clubs inside. It is not intended to minimize the severity of sentence; it is a common sense plan to graduate convicts back into civil life, and it was evolved from the observation of invariable prison experience. No one was ever known to die of old age in a Kentucky prison. The average term of servitude, considering the statutory penalty, is just as long under the parole system as it was before. Practically speaking, they all get out after awhile.

### Reason for the Parole.

Convicts as a rule are not up to the average intellectually, neither are they men of initiative or resourcefulness. Almost invariably, if discharged, they will go back where they came from. When a man returns to the place where he committed his crime, he is under a handicap that would test a stronger character. He



is despised, under suspicion and likely not given a chance to make an honest living. Crime was about the only vocation left open to the ex-convict, it was found. So the parole.

The most advanced parole systems include paroles from the bench, usually in cases of youths, who have made one misstep and when there is a possibility of saving them without their incurring the handicap of the prison stamp. The parole system is just as perfect as the ability of the authority, which operates it, and the latitude the law permits it.

The parole is no new thing. Back in 1888, the Sinking Fund Commission, then in charge of the prisons, could grant paroles. A life term was eligible in five years. He is eligible in eight now; but the board requires him to serve twelve years before it will consider his case. Like most laws, the parole act has been changed frequently, and the changes have been as ill-considered as the original measure. In 1892 when a Prison Commission was created, the Court of Appeals held that the Sinking Fund Commission continued to be the parole authority.

In 1910 an indeterminate sentence law was enacted, and the Court of Appeals promptly held that it bereft the board of all discretion. A prisoner by observing the prison rules earned his parole at the expiration of his minimum sentence and the board had to parole him.

#### **Kentucky's System Unique.**

The law has been changed several times since, and recently the Court of Appeals held that "once a paroled prisoner, always a paroled prisoner," until the Governor grants a pardon. A man may have only a month to serve when he is paroled; but he will continue under control of the board as long as he lives unless he goes back to prison and stays another month or is pardoned. He would be subject to his dying day to summary arrest on a warrant charging him with violating his parole, and could be sent back to prison twenty years afterward to finish that thirty days, with loss of good time, probably.

This decision makes Kentucky's pa-

role system absolutely unique, and it may have a profound effect in guiding prison authorities of the country toward their goal: the perfection of the indeterminate sentence.

It is a significant observation that professional crooks do not like paroles. They prefer to spend a year or two longer in prison if necessary and go out free. Superintendent H. V. Bastin, of the Reformatory, is authority for this statement. He soon discovered this and it made him an advocate of the compulsory parole. He said too much of sentiment has accompanied the development of the system. He thinks no criminal ought to be turned loose upon the community, excepting under parole, until he has demonstrated that he can live outside and not be a menace. The defectives, who comprise a large body of the criminal classes, he believes, should be kept in an institution for life.

The Board of Charities and Correction has introduced an innovation. Before its day boards paroled prisoners without seeing them. Lawyers, members of their families and politicians thronged the offices of the old board at the Capitol.

The paroled prisoner, like the pardoned man, felt under obligation to the influence that had procured his release. The present board sits at the prison and interviews the men; its field force collects all the information necessary from outside sources, and a parole clerk keeps in touch with the men after they go out.

#### **How It Operated.**

Theoretically the paroled prisoner is still in custody. Actually, when he is eligible and has demonstrated some development of character for industry and trustworthiness, as soon as the board has investigated his history, family and the circumstances of his crime, procured him employment and acquainted itself with the environment into which he is to go, the prisoner is released under certain restrictions, which include regular reports from him and his employer and the observance of rules. If the board keeps in touch with him, the paroled prisoner must behave much better than the average good citizen does; for, even



if he has acquired character, he yet has a reputation to make.

In this way, under surveillance both for his own sake and that of the society whose laws he has flaunted, a prisoner, it is hoped, will be gradually enabled to find an honorable place for himself. It is an experiment, and yet records show a much smaller percentage of second termers than there were a few years ago. And when it is considered that about one-tenth of one per cent of the population goes to prison, 4 or 5 per cent of the "ticket-o-leave" men violating the strict rules of their parole is not such a bad showing for them.

If respect for constituted authority did not forbid, one might even compare the average scored by convicts in keeping their parole pledges with the way governors keep their platform pardon promises. They stand at the opposite extremes of democracy—these two, governor and convict. The one is exalted to the highest eminence of citizenship; the other degraded below its lowest level. But human nature runs much the same through all classes of men, and it requires moral stamina to do either.

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### THE PARDON ABUSE.

(Courier-Journal Editorial,  
July 8, 1922.)

When Kentucky gets a "business administration" of its Government there is going to be a new chapter in the story of pardons, very different from the chapters by the four Governors of the period which Mr. Armentrout is writing about.

In an interesting historical recursion he traces the power to pardon, of "the very essence of supreme authority," to the monarchs of absolutism, of whom it was a personal prerogative. Today it is exercised by Kentucky's Governors as a personal privilege as absolute as the "power to pardon" ever has been in any age of kingcraft. The constitutional injunction that the Governor give a reason for any pardon he may grant

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is no qualification of his power, for, as Mr. Armentrout says, the "reason" usually is merely an "excuse."

It is true that a Franklin County grand jury has declared a pardon to be a public, not a personal, matter; but one declaration by a grand jury is not going to rectify the abuse of the pardoning power in this State. That declaration, it should be borne in mind, was made concerning the notorious Blair pardon, admitted by Governor Morrow to be indefensible and granted by him notwithstanding this pledge which he made in his campaign:

I will not abuse or misuse the pardoning power, nor will I pardon any guilty man, nor will I use this power for political ends.

Governor Morrow's abuse of the pardoning power has been no worse than its abuse by some of his predecessors. In fact, so far it has not been as bad, though it has been anything but good. He was no doubt sincere in making the pledge here quoted. That he has not kept it is cumulative proof of the fundamental mistake in imposing in any one man the unrestricted power of pardon.

Nothing is to be gained by comparing the extents to which the power has been abused by various Chief Executives. They have all abused it as a personal privilege, and there can be no assurance that they will not continue to abuse it as long as they are allowed to retain it and as long as Governors are men susceptible to the weakness of human nature and to the temptations of "politics."

The pressure on a Governor to impel him to abuse the pardoning power is tremendous. No man should be subjected to it. "Two thousand convicts in the prisons," notes Mr. Armentrout, "and twenty times as many of their relatives, and thousands, who have done their time and want to vote, are scheming to bring what influence they can, of hope or fear, to bear upon the Chief Magistrate of this Commonwealth to undo the work of the courts and juries. The appeal



for clemency is presented as a personal matter between man and man; the Governor's emotions are wrought upon, his close political friends besiege him for this small favor."

No Governor can investigate the merits of all applications for pardons and find time to attend to his other duties. Most pardons are issued not because of the merits of the cases, but because of other influences by which a Governor, who is always a mortal and usually a politician, is moved.

The unlimited power of pardon should be taken away from him, in justice both to him to the State. That cannot be done except by the slow process of altering the organic law. Meanwhile, all that can be done is to proceed by a new standard in the selection of a Governor. The kind of Governor the people of Kentucky must draft if they are to cure the other defects of their Government which Mr. Armentrout is exposing is the kind of Governor who will be least likely to abuse the pardoning power.

A sounder method of treating prisoners has been instituted in the parole. It is by the development of that method, the choice of the right man for Governor and the ultimate limitation of the Governor's pardoning power that the pardon abuse can be abolished.

. . .

*The following letter referring to the above article was received and published in The Courier-Journal July 24, 1922:*

#### **Kentucky Prison Reform.**

To the Editor of The Courier-Journal.

Before printing in pamphlet form your editorials and Mr. Armentrout's articles purporting to give the history of four administrations, it is suggested that The Courier-Journal correct some of its statements in regard to the prisons.

Thousands of Kentuckians know that in 1912 to 1916 the Prison Commission almost revolutionized the prisons of Kentucky and the houses of reform. A real investigation will

show that the following reforms and others were made during that period:

Abolished the practice of whipping prisoners.

Established schools in the prisons.

Changed the Frankfort Penitentiary to a reformatory, and went as far as the inherited labor contracts would permit in sending the worst criminals to the Eddyville Penitentiary. Urged Circuit Judges to co-operate in sentencing felons.

Paid prisoners and their families 20 per cent of their earnings. (Court of Appeals finally annulled this law.)

Looked up cases of "forgotten" or friendless prisoners entitled to apply for parole.

Securing employment for paroled men, monthly reports required from employes. Parole agent investigated cases failing to report and complaints of parole violations. (The Courier-Journal says this was never done until the present board took charge, or if so there are no records to show. If these records have been destroyed The Courier-Journal should find out who did it, and why.)

Not one parole was granted during that four years for political reasons or through political influences. Every case was considered only upon its merits.

Tubercular and venereal cases were sequestered and given special treatment.

Commissioners visited the prisons and talked with applicants for parole.

Discharged every guard or employe guilty of drunkenness on or off duty, regardless of political backing or any other influences.

Stopped guards from cursing prisoners or striking them except in self-defense.

Induced the Legislature of 1914 to authorize prisons to rent farms. Rented the Mastin farm of nearly 500 acres at Frankfort and took option to purchase at \$40,000. Also rented a farm at Eddyville, and both proved helpful in many ways.

Quit buying fore-quarter beef from Chicago packers and bought cattle and hogs from Kentucky farmers, used prison labor for slaughtering, saved nearly half the enormous meat bills,



had better meat, and kept the money in the State.

Saved \$7,000 the first year in coal bills by changing the plan of buying so as to get real competition.

All food, clothing and supplies of every kind were bought under public competitive bidding, after advertising, with samples submitted.

No officer or employe was allowed to engage in political activity or to contribute anything for election purposes. The practice had been to assess each officer and employe every year.

As to the Houses of Reform at Greendale, near Lexington, a fine woman was appointed assistant superintendent and made the most striking changes in the institution, cleaning up everywhere, beds and kitchens, adding to the comfort and health of the unfortunate children, and serving as a mother to them. A modern dairy barn was built and milk was substituted for coffee.

Dependent children, not criminals, were being sent there, some as young as seven years. The Commission recommended to the Legislature a bill prohibiting sending of any child under ten years of age, and requiring counties to pay \$100 per year for all children they sent under sixteen years old. This was enacted into law.

The general public is entitled to this record alongside that given in The Courier-Journal. Investigation is invited by anyone who may doubt its correctness.

A CITIZEN.

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*The following reply was made to the above by Mr. Armentrout and published in the Courier-Journal with the letter above.*

Since I made no direct reference to the administration of State prisons from 1912 to 1916, and since it would serve no useful purpose to check up the items of revolutionary policy ascribed by "A Citizen" to that administration, I do not feel called upon by his communication to defend anything I may have said. But "A Citizen" does seem, by implication, at least, to raise the question whether he is to infer, from the omission of any reference to distinguished public service

during the period covered by the articles, that in all those years Kentucky had no single officer who did his duty. Most emphatically I can answer that in all three branches of government Kentucky from time to time has had in various departments men of character and capacity. The very fact that the Commonwealth during this period frequently has been served by a high-minded officer, who did his conscientious best, emphasizes the bane of a "system," which hampers initiative and neutralizes the efforts of competent public servants.

The "system," not individuals, however, was the subject of review; and it would have been subversive of the avowed purpose of the exposition and productive of nothing but accusations of ulterior motives to have digressed unendingly for comparisons among thousands of officeholders. Nevertheless, since one administration has been referred to by "A Citizen," I shall discard the impersonal attitude to reply, and let those mentioned stand for the scores of others who may or may not have had their feelings hurt.

On the Prison Commission from 1912 to 1916, I recall, were M. F. Conley, of Louisa, and Representative Henry R. Lawrence, of Cadiz, the latter being the author of the Lawrence Efficiency Commission Law. Both men, in my opinion, rank high in the attributes which make a good public officer. Besides his executive experience, Mr. Lawrence has been Speaker of the House. No doubt, the Efficiency Bill was the ripe fruit of his personal knowledge of the system of government.

These two men served on the Prison Commission some four years before the State Board of Charities and Correction was created to take over both the prisons and asylums. Most assuredly, in singling out the Board of Charities and Correction as a shining example of what can be done in the way of reform in State government, there was attempted no comparison of personnel. The Department of Charities and Correction was lifted clear of the "system" and the board was created by a modern law that provides it with ample power and scope of discre-



tion to work out its policies. I do not hesitate to assert that the present board, hampered by the law formerly in force, could not have made headway against the "system." I have no more hesitancy in asserting that a man with the vision and initiative to sponsor the Lawrence Efficiency Law, and his associate, Mr. Conley, could under present conditions accomplish institutional reforms.

"A Citizen" should take this further observation to heart: Neither the Department of Charities and Correction nor the Department of Educa-

tion claim to have perfected permanent results—yet; they are still clearing away the underbrush in many places for the foundation. Given time and the chance, they are both capable of building something of which Kentucky can be proud. And the author of the Lawrence Efficiency Commission Law has furnished means, not only for expediting their work, but for clearing the ground for permanent reform in the entire governmental establishment.

VANCE ARMENTROUT.

## CHAPTER VIII. COURT HOUSE INFLUENCE.

When the 1922 General Assembly enacted the Lawrence Efficiency Commission Law, it placed in the hands of four citizens, to be named by Governor Morrow, power almost to predetermine the type of men political parties must nominate for State offices and to dictate the issue of the 1923 state campaign.

If that Commission functions as the author of the Act anticipated,—although he had in mind only administrative reforms—and is able to report within twelve months, its recommendations will have to be considered by party platform builders, and the issue may be squarely presented to the people as between the business of government and the profession of politics.

There is not an officer, state or county, that dare defy the inquisitorial authority of the four commissioners. They are given \$25,000 and "directed to make a general survey of and inquire into all departments, commissions, and boards of the State Government, as well as all institutions supported in whole or in part by public funds of the State, and make reports and recommendations touching their conditions and needs and matters relating to the curtailment of expenses and increased efficiency. The scope of its powers and duties shall extend to an inquiry concerning every branch and arm of the State Government, that is contributed to or supported in whole

or in part by state funds or that performs judicial, executive, legislative or ministerial functions."

Authority to summons and interrogate witnesses under oath, compel the production of books and records, and enforce its orders by proceedings in contempt is conferred as a matter of course.

### Is First Complete Survey.

This will be the first complete systematic survey of Kentucky's entire establishment. It follows an educational survey, and an exhaustive overhauling of institutional management, made by the Board of Charities and Correction. Both of these departments are being revolutionized, and the efficiency survey itself is potentially revolutionary. It is a radical departure from the old time "Legislative Junket, whereon the lawmakers took holiday from their sixty days' session and enjoyed the hospitality of a genial superintendent at some institution, to carry away the memory of a jolly host and equally jolly good-fellowship. Such junkets cost quite as much in the aggregate as the survey.

The broad scope of the mandate can carry the investigation into Circuit Courts and into every county office; because every one of them is an agency for the collection or distribution of state revenues. It is in this field, it is believed, that the greatest saving



can be effected, with the possibility of materially reducing taxation.

Such a proposal might provoke the activities of another element in politics, quite as systematic and quite as potent as any form of "invisible government"—the local politicians. If aspiring statesmen sometimes have described the State as a great corporation and the General Assembly as its Board of Directors, none of them has yet done justice to its subsidiaries, the counties, or to the interlocking directorate.

### Is Court House Government.

The "System" links the county seat to the Capital, and, if Kentucky could be said to have a distinct type of government, an observer would have to call it, not an "invisible," but a Court House Government. The most powerful lobby that reaches the Capitol is made up of county officers. The personnel of the State House force is drawn largely from county offices; the organization of political parties is made up of county leaders; and the majority of the legislators, representing single counties or contiguous groups, usually owe their selection to the same influence.

The consequence is manifest in the whole fabric of legislative procedure and executive complacency. For instance, when the present tax law was enacted, foreseeing increases in revenues from a higher assessment, bank deposits and exposure of intangibles, the General Assembly cut the state tax rate 15 cents; but it did not touch the county rate, although county and state taxes are collected by the same officer at the same time on the same assessment.

The assessment was doubled and the property owners in 1921 paid \$11,000,000 taxes more than they did in 1917 under the old law. Paying in a lump sum, the people were not aware that \$8,500,000 of the increase went to their respective counties and only \$2,500,000 to the State. They were not informed that, although the assessment was increased approximately 100 per cent, by reason of the reduction in the state rate they were paying only 53 per cent

more state taxes, whereas they were paying to their counties 143 per cent more.

### No Budget For County.

The State presently adopted a budget system; but no budget was imposed on the counties, and the counties increased their rates as the assessment increased—not alone for schools and roads, either. Few have cut their general fund rate commensurate with the assessment. Yet, at the last session, the only law passed for tax relief would have reduced state revenues \$500,000 and increased county revenues three times that much.

State Inspectors and Examiners, whose old reports reveal sensational irregularities, have brought about gradually a reasonably accurate method of accounting between county officers and the State in the collection of state revenues; but if the conditions of county school funds under the management of county superintendents, then part of the elected county official government, both secretary and treasurer of a partisanly chosen school board, with power to examine and grade applicants for teachers' certificates, is a fair example of the way county taxpayers' money is handled, a budget and reformation of court-house methods might result in a telling reduction in local taxes.

Until this year the budget of the State Department of Education, charged with responsibility for the efficiency of the state school system and the distribution of \$4,000,000, the greater part of state taxes, was not sufficient to more than provide the department with a clerical force for routine work. Two inspectors, at \$1,000 each and not enough expense money to pay their way about the State, were expected to inspect 10,000 schools scattered over 40,000 miles of territory.

In the last six months the first real investigation of county school finances has been undertaken. Four counties have been examined and in every one the schools are in debt beyond the constitutional limit. In three of them the books were so tangled that nothing could be made



of them, and the procedure so irregular that civil action has been recommended.

While the lawmakers were discussing ways and means of providing revenues for a state expenditure of \$10,000,000 the year on highways, fiscal courts were spending over \$5,000,000 annually on roads, to what purpose in most counties taxpayers are fully aware, although they may not know that their magistrates are spending twice as much now out of the road fund as they did five years ago.

### **Tendency Is for State Roads.**

Just as the schools after half a century were developed into a real state system, the tendency of road legislation, since the automobile has become a factor in transportation, is toward a state system.

At the same time, the principle of local self-government, applied to these civil divisions of the State, has split the taxpayers' money between State and county, the latter handling five-eighths of the money through fiscal courts, composed of magistrates, who represent still smaller districts, and usually divide the funds among them regardless of economy and results. Most of Kentucky's road funds thus become the spoils of local politics.

In the Department of Education, on the other hand, the State has control over the expenditures of local funds; for the school tax is a state tax and the County Superintendent is appointed, and subject to the supervision of a state officer.

The school reform was the first real inroad made on the county political system, and the reaction was positive. The county boards were made nonpartisan in 1920; the superintendents are now appointed; examination papers are required to be sent to Frankfort to be graded by a corps of educators, who see no name, but only a number on the papers they are grading. Many teachers fail, evidences of brazen fraud have been detected, and examinations in several counties thrown out on affidavits of teachers, who confessed to wholesale cheating.

Suspicious certificates issued in another county, were sent to the State Department for investigation by one

county superintendent. County politicians came to Frankfort to see if they couldn't exert influence in behalf of local favorites, who had fallen down.

Local politicians of both parties, for the most part, used their influence the next year to defeat the constitutional amendments providing for a nonpartisan Department of Education and revision of the per capita distribution of the state school fund.

### **Attack On Schools.**

The attitude of the local leaders was reflected in the openly expressed opinion about the Capitol, excepting in the Department of Education, that the new school law had proved a failure. The 1922 session of the General Assembly brought the most aggressive group of representatives seen here in a decade, bent on having an elective county superintendent, the examination papers graded at the courthouse, the compulsory attendance law repealed, and the sub-district trustee restored with the privilege of buying all the supplies for his school-house without competitive bidding.

The bills passed the House. Representatives hurried to the Senate chamber to advise colleagues there that they had voted for the bills under compulsion of threats to defeat every measure in which they were interested, and to beg the Senators to defeat the reactionary school bills. For weeks it was feared that, despite the united efforts of the Kentucky Educational Association, heads of all the institutions of higher education, Catholic and Protestant, farmers' and women's organizations, the school system would be thrown back into the ruck of county political patronage.

The school system was saved by the Senate, and the Department of Education was equipped with a budget for a professional staff; but all other county reform measures were lost.

A bill was passed, and vetoed, increasing state fees to County Clerks.

Although the Constitution limits all officers in Kentucky, excepting the Governor, to \$5,000 annually, it is a well-known fact that many Sheriffs and some County Clerks draw in excess of this sum estimated to aggregate a quarter of a million



dollars, that should go to the State. Sheriffs' commissions from tax collections have more than doubled in the last five years. Yet a bill requiring officers of other counties to account for their fees, just as those in Jefferson County do, died in the Senate.

The office of Oil Inspector, county judges' patronage, was abolished; but the same bill re-created the same office under the title Oil Tester and Gauger.

When the Prohibition Enforcement Act was amended so as to promote prompt trials and convictions, a provision had to be inserted allowing Commonwealth's Attorneys the same 50 per cent commissions on fines and forfeitures in inferior courts that they receive in the Circuit Court; and, as usual, efforts to abolish this office and confer the duties on the County Attorneys were abortive, as have been previous attempts to dispense with Jailers and put the Sheriffs in charge of prisoners.

### It Is Up To People.

Here is a selfish interest to be reckoned with; yet readjustment of State activities to promote efficiency and economy will have to extend to districts and counties. The commission can only report and advise; party platforms may promise, and then it is up to the ultimate source of all political power—the people.

They alone can make reform possible. The one and only overt move against corrupt government is, like most other reforms, in the Statutes, under the style of the Anti-Lobby Act of 1916. It requires all legislative lobbyists to register in a book kept by the Attorney General.

Its pages contain specimens of the penmanship of every legitimate advocate or opponent of pending legislation at the last four sessions; but they are still unsullied by the signature of any representative of that "sinister," "insidious," "corrupt," anonym—the "Invisible Government," the "System"—which lends itself so admirably to the uses of campaign rhetoric. They don't have to sign. Incorruptible legislators are not approached by them; and the corrupt ones do not tell.

In Frankfort it is regarded as self-

evident that no man was ever corrupted by coming to the Legislature. There is a settled conviction that if a man is corrupt in the office, he was corrupt before he came. Too many men are known, who come here honest, who stay honest and go home honest, to believe otherwise. While people in other communities are wondering what malign influence in the Capital City undermines the morals of legislators, people of Frankfort wonder whether some of the legislators are truly representative of their constituencies.

Being on the ground, they hold to the ancient formula of representative government: that if the people elect honest legislators, they will have honest laws.

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### "COURT HOUSE GOVERNMENT."

(Courier-Journal Editorial,  
July 10, 1922.)

The "efficiency commission" provided by the last session of the General Assembly of course cannot effect efficiency in the State Government. It can only point the way to future efficiency by disclosing present inefficiency. The commission's inquisitorial power respecting official machinery is unlimited. It has no other power. Its labors will be worthless unless its findings shall be enforced by a Legislature driven by an informed and aroused public sentiment and by a Governor faithfully representative of that sentiment.

As Mr. Armentrout says, it is "potentially revolutionary." But it will be actually revolutionary only if its recommendations be revolutionary and if their adoption be compelled. The task of the commission will be easy in comparison with the task of those who may undertake to accomplish any revolution it may advise.

The scope of the commission's inquiry including the Circuit Courts and all county offices, a field in which it is believed the greatest saving may be made, it is well to bear in mind that



it is also a field in which to work a revolution is most difficult. It is from the counties that the local politicians not only rule their own districts, but largely rule the State.

Mr. Armentrout happily calls this "Court House Government." The "System," he says, "links the county seat to the capital, and, if Kentucky could be said to have a distinct type of government, an observer would have to call it, not an 'Invisible,' but a Court House Government. The most powerful lobby that reaches the Capitol is made up of county officers. The personnel of the State House force is drawn largely from county offices; the organization of political parties is made up of county leaders; and the majority of the legislators, representing single counties or contiguous groups, usually owe their selection to the same influence. The consequence is manifest in the whole fabric of legislative procedure and executive complacency."

Some of these consequences are strongly significant. Thus while property owners paid in 1921, \$11,000,000 more taxes than they paid in 1917, only \$2,500,000 of the increase went to the State, \$8,500,000 going to the counties. Because of the increased assessment and the decreased tax rate they paid only 53 per cent more State taxes; yet they paid 143 per cent more county taxes. While the State now has a budget system and the counties have not, the counties increasing their rates as assessments increase and few cutting their general fund rate in proportion to increased assessments, yet at the last session of the Legislature "the only law passed for tax relief would have reduced State revenues \$500,000 and increased county revenues three times that much."

The schools are no longer under "Court House Government." Recently the first investigation of school finances under that government has been undertaken, with the result that "four counties have been examined and in every one the schools are in debt beyond the constitutional limit. In three of them the books were so tangled that nothing could be made of them, and the procedure so irregular that civil action has been recommended."

How tenaciously the local politicians of Court House Government clung to the schools is attested by the fight they made to defeat the Constitutional Amendment for taking the schools out of politics; their concerted campaign of defamation of the new school law, and their all but successful siege of the Legislature last winter for the restoration of the old system.

Court House Government has been no more successful in providing good roads than it was in providing good schools. And it has been even more wasteful. Millions and millions of dollars have been squandered by fiscal courts, as the logrolling magistrates agreed to divide the funds. Even Jefferson County, with all the money it has spent on roads, had little to show for it until it abolished the fiscal court system.

These are but a few of the fields in which the Lawrence commission will find rich material for investigation. But the people of Kentucky, who alone can enforce needed reforms in their government, should take due notice that unless they awaken to the necessity of exercising their full authority some of these reforms are going to be well nigh impossible. For Mr. Armentrout is right in intimating that, powerful as "Invisible Government" is, the local politicians of "Court House Government" are even more powerful.



logued. Much of the State's unwritten history is to be gathered from those volumes, and probably there are gaps that should be filled before it is too late; but only a trained librarian can tell what they are.

On the opposite side of the Capitol, on the same floor, is the Kentucky Library Commission, in charge of trained librarians, who could catalogue and classify the collection, make the books available for reference and put many of them in circulation through the traveling libraries it sends out. These books have no relationship to the law library whatever, and there never has been a trained librarian in that department. The loss by such incongruous arrangement of these departments is more apparent, but no more real, than exists in the organization of many others.

Perhaps the real handicap resulting from a lack of proper articulation among State departments is best demonstrated by showing what can be done when the handicap is removed. Kentucky has one example of this in the only department that has been freed from politics—the Department of Charities and Correction, created by Act of 1920.

#### **Real Efficiency Here.**

The Act creating it, provided that the board may command the assistance of any other department. In a health survey of institutions housing 6,000 people, and in the eradication of venereal diseases and trachoma, and the isolation of tubercular inmates, the board called for and was accorded the complete co-operation of the State Board of Health.

The University is the board's constant aid. A University senior in domestic science revised the diet of all the institutions and wrote her graduating thesis on this work, which will be checked up by the University this summer. It has resulted in benefit not only to the State's wards, but to the State's finances. No fruit trees are planted and no agricultural enterprise is undertaken without the advice of the experts at the College of Agriculture. The dairy herds are inspected by the Livestock Sanitary

force and statistics of dairy production are regularly submitted to the College.

This summer Prof. Carroll of the College of Engineers, with a corps of students, surveyed the farm adjoining the Institute for Feeble Minded to properly locate new houses for expansion of the plant. Supervision of the educational work at the Houses of Reform, now converted into a military institute, and the prisons has been turned over to the Department of Education. The Fire Marshal's force has surveyed the institutions under the board, at its request, and made recommendations for fire protection and the correction of hazards.

#### **A Look Into Salaries.**

The purpose of the provision in the law was to utilize services the State can furnish itself, and its observance has resulted in the saving of thousands of dollars, as well as the avoidance of errors that might have been made through lack of expert direction.

The Efficiency Commission will have an opportunity to look into salaries. Kentucky's payroll has become a bit uneven, to say the least. The Constitution limits salaries to \$5,000—all but the Governor's. Even cities are beginning to be hampered by it. Louisville has lost superintendents of public schools and smaller places are crowding that salary to fill the position. The State Superintendent, who is responsible for the distribution of \$4,000,000 of taxes and the conduct of 10,000 schools; the president of the University, the head of the Highway Department, who lets and supervises contracts, involving millions; the heads of the asylums, supposed to be highly trained specialists in mental diseases as well as competent institutional managers—all must be selected from men within the range of \$5,000 the year.

On the other hand it is only a guess what twenty or more Sheriffs draw for their services. This much is known; the Sheriff of Fayette County received \$13,000 for collecting State taxes and nearly twice as much for collecting county taxes, besides the assorted kinds of fees a Sheriff draws. The Court of Appeals says the Constitu-



tional limitation is self-operative and excess fees may be recovered by State and county; but there is no statutory limitation on the number of deputies a Sheriff may have, excepting in Jefferson.

Kentucky has \$347,000 worth of County Tax Commissioners. Their limit is \$4,000 a year, and twenty-four of them get it. Forty commissioners receive \$3,000 or over, forty-five receive \$2,800, the average for the State, and thirty-five receive less than \$1,500. They are paid fees of 5 cents on the \$100 for the first \$1,000,000 of the assessment and 2 cents on each additional \$1,000,000. It may have been arranged that way as an incentive for them to make a full assessment. A \$4,000 man probably would, but in the larger counties they reach the salary limit without exertion.

In some state offices efficiency might be promoted by increasing salaries and reducing the force.

#### Some Guides To Reform.

A regrouping of executive departments, a county budget, a uniform accounting system for State and county, and an operating audit would go a long way toward heightening the visibility of the "System." When the State Board of Charities and Correction standardized specifications for supplies, so that real competition was induced, it offended some people mightily, and then, when it canceled all outstanding fire insurance and had it underwritten so that every agency in the State shared pro rata in the commissions, to the board's surprise, certain Democrats and certain Republicans, in perfect liaison, were discovered trying to persuade some of the big companies to stay out. The effect of school reform is seen in teachers' examination scandals, exposure of a practice that was "invisible" before.

These experiences are encouraging guides to reform; but when the machinery of government is readjusted, the incumbent of the executive chair will have to keep it in order and superintend its operation. A good tax law can't equalize assessments, a good road law can't build highways, a good

insurance law can't remove hazards and reduce fire losses and premiums, a good school law can't teach school, a Geological Survey can't map the State without money, and, unfortunately in spite of Arbor Day celebrations, the woodman hasn't spared the tree, principally because he uses board feet instead of poetic feet in his measurements.

A little more than a quarter of a century ago, when "statistics" was added to the title of the Commissioner of Agriculture, a newly-elected Commissioner who, at least, was inquisitive, sent out a questionnaire and found that a fifth of Kentucky's original forest area, outside the Bluegrass, was standing. Industry was humming everywhere, the responses disclosed; sawmills were multiplying in mountains, Pennyrile and Purchase. Even then a warning was sounded against the devastation. In 1912 a Department of Forestry was established; in 1922 it was abandoned. No one, however, seemed to consider the subject in connection with agricultural education or regarded trees as a crop. The woodlot, a most profitable acreage, yielding an annual revenue, if planted with the right kind of trees, has practically disappeared; cut-over knob lands, victims of the plow, are eroded and barren, or turned over to razor-back hogs. Arbor Day is a beautiful observance for prairie and plain, where shade is needed; but reforestation on an economic scale will come only in response to a demonstration that it pays.

#### Are Related To Taxes.

These economic activities of the State bear a closer relationship to the question of taxation and debt than is generally recognized. There are certain expenses that the State must meet, and the state tax rate, which is the determining factor of the individual tax, can not be reduced substantially until there is more wealth to be assessed.

A geological survey is the preliminary essential to the industrial upbuilding of a State like Kentucky, so wonderfully endowed with natural wealth. The gold of California, which caused the picturesque rush of "Forty-niners"



was not more precious than what the diversified structure of Kentucky contains. With hammer and transit, instead of flint lock rifles, explorers are still discovering Kentucky, whose geography and much of its accurate history, even, remain to be written.

A few years ago a movement was set on foot to convert Mammoth Cave and its environs into a National Park. Kentucky would have been greatly embarrassed, if the Department of the Interior had seriously considered the project, and called for base maps, as it certainly would. The Survey has completed the map of that quadrangle since and one of the Capital's surroundings.

As a result of war experiences in procuring fluorspar for steel mills and laboratories, the Government and steel men have just completed an investigation covering the whole country, and locate the ultimate fluorspar reserve in Crittenden and Livingston Counties. The State and Federal Survey have completed mapping part of that section. In the adjoining counties of Illinois, long since mapped, the fluorspar industry is practically fully developed, far in advance of the Kentucky field.

#### **A Concrete Instance.**

A half century will be required to complete the geological survey of Kentucky at the present rate of progress, and within the half century past—it was before Bradley or Beckham—a Governor of Kentucky told the legislators that it would be more profitable to abandon the geological survey and advertise Kentucky's resources so as to attract immigration. Since that historic remark and within a few years marbles, asphalt, glass sands, clays, gas, oil, iron ore, fluorspar and coal have been discovered, that weren't known among the resources of Kentucky, which were to be advertised.

More recently still, investigators have come here to inquire of the Survey about rock asphalt deposits, which underlie a dozen unmapped counties. Only one company is operating in the State, and the material is hauled hundreds of miles for building roads in another county, which has deposits of

its own. A State rock asphalt property, it has been suggested, might help to solve both the prison labor and highway problems.

The 1922 General Assembly was informed by the Governor of Kentucky that:

Kentucky has great potential wealth in its undeveloped, unmapped natural resources. Marbles, road building material and other mineral wealth are known to exist in the State; but their extent, commercial possibilities, access to transportation, etc., have not been correctly and scientifically ascertained. I, therefore, recommend that earnest consideration be given the possibilities of geological exploration, research, mapping, etc., in order that full information may be available to those interested, and that the natural wealth of Kentucky shall be translated into the actual wealth of the State.

The General Assembly accepted the Governor's suggestion and appropriated money for mapping the asphalt territory—and the bill was vetoed.

Two years before the General Assembly was informed that "the oil and gas industry is rapidly assuming commanding proportions and with proper encouragement and protecting legislation this industry should soon be a source of great wealth to the people of the State." Of course, common experience has proven it to be a source of the loss of unreckoned millions to the people of Kentucky; because the Geological Survey did not have the gas and oil structures located and defined, and investors resorted to the infinitely more expensive method of defining the oil and gas fields with a veritable ring of dry holes.

#### **Conservation Is Issue.**

Conservation of resources received its first consideration in Kentucky at the 1922 session in its application to the natural gas industry, and the most dramatic incident in the aftermath of that session was the debate between Judge Ed. C. O'Rear and Donald McDonald before Governor Morrow on the carbon black bill. The situation contained its element of comedy, too, for it was discovered that 300 men had signed two petitions, one for and one against the bill.

This measure, then before the Gov-



ernor for approval or veto, limited the carbon black plants to their present locations, ostensibly to hold the gas reserve for the use of domestic consumers. Necessarily the Louisville Gas & Electric Company and the carbon black manufacturers were on opposing sides. Judge O'Rear insisted that the owner of gas in the ground has the absolute right to dispose of his own property as he chooses. He charged that the measure, backed by the Louisville Gas & Electric Company, was socialistic. It was an odd conceit, accusing the great Byllesby Syndicate of fostering socialism. It was contended, on the other hand, that this conservation measure was no more than the extension of a principle, which the learned advocate often had himself as Chief Justice enforced: that when natural gas comes into possession of a public service concern like the Louisville Gas & Electric Company, bought and paid for with its own money, the gas must be held and used subject to the superior rights of the consuming public. This shows that Frankfort, no less than Washington or Genoa, has problems of statecraft, and they come close home to the individual citizen.

Governor Morrow candidly announced his opinion that the owner of gas land, who had only a small rental and an eighth of the production, was little concerned. He considered it a controversy between two rival industries, and for his part, he was interested in the consumer. Afterwards he vetoed the bill, which caused surprise, because the only excuse for its enactment was that it was for the benefit of the consumer.

### A Change of Viewpoint.

Issues of statecraft, concerned with the business of government and directly affecting private enterprise, are changing rapidly. In every campaign from 1907 on "trusts" have been featured. A stringent Anti-Trust Law was enacted in Kentucky. Then it was amended to exempt farmers and laborers' organization, and the United States Supreme Court held it discriminatory and unconstitutional. It was a dead letter in 1915 and both

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parties promised to repair the breach for the protection of the farmers. Gov. A. O. Stanley, then a candidate, and probably is no wise exaggerating the prevailing sentiment, declared:

Today the State stands naked and defenseless, a prey to every crooked combination and every form of corporate iniquity, a snug harbor for every commercial pirate seeking refuge from the wise legislation and righteous wrath of forty-seven sister States. The fact that this yawning chasm is left in the only legal defense yet provided has caused an apprehension little short of consternation among thoughtful and discerning men.

Seven years are not long, yet mark the change! The General Assembly of 1922, without debate, repealed the 1916 Anti-Trust Law with an emergency clause, making the repeal immediately operative—and for the benefit of the farmers, who have found a way of meeting the market on an equal footing. This is a day of co-operation.

Industrial co-operation is a factor with which politicians will have to reckon in the next State campaign. The "blocs" at Washington reflect the will of organized industries, which had their counterpart in organized farmers, women and educators at Frankfort. And they were effective at the 1922 General Assembly. Theirs may not have been "the voice of the people;" but they were the united voices of several thousand people—about its nearest approach that had ever penetrated to the halls of legislation—and they made the vocal efforts of the demagogue sound pitifully strained and thin.

### The Kentucky Situation.

Organized citizens are studying and learning. Repeated charges of "waste" and "extravagance" in campaign after campaign have but served to intensify the popular feeling that taxes are "burdensome." Fourteen years and four political campaigns haven't ameliorated the "burden." Taxes have increased, and, at least, \$50,000,000 in the meantime must have been wasted on schools, roads and public institutions. And the rural schools have been proved to be inefficient, the highway system has not been built,



State institutions are down at heel and colleges are begging for money.

Yet the situation is anomolous. Comparisons show that Kentucky is one of the most cheaply operated States in the Union. It has been so meagerly and wastefully financed that it has neglected the very means by which wealth is increased and the cost of government distributed. The conclusion is irresistible that taxation is burdensome in Kentucky, because assessments are not equalized and, the taxpayers don't receive an adequate return for their money. A comparison will show this, too; and not a comparison with great industrial Commonwealths.

Total ad valorem taxes paid to the State of Kentucky for all purposes are less than Wisconsin, a State of worn-out wheat land a few years ago, spends annually on its university. But the University of Wisconsin has been put on a profit-paying basis; it has taught the farmers standardization of production and co-operative marketing and made them rich. They may be in a bit of a fog about the "origin of species," but they have it clear in their minds that the origin of that particular variety of "Big Baked Potato," which shares Northern Pacific folder space on terms of equality with the Pacific Ocean and the Custer Battlefield, was the University's Experiment Farm.

Wisconsin has no attractions for greed or pleasure comparable to Kentucky's. In her example is hope for the future, if someone can be found who will "take care that the laws be faithfully executed."

But, looking back over the last fourteen years of Kentucky history, the seeker can find in it nothing different from what Thomas Carlyle complained of in political histories a century ago:

"How men are taxed and kept quiet."

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### THE REMEDY.

(Courier-Journal Editorial,  
July 11, 1922.)

Mr. Armentrout today ends his serial survey of Kentucky's governmental conditions by gathering up divers odds and ends of misdirected administra-

tion, which further strengthen the impressively strong case he has made out against the conduct of the State's business.

He touches briefly but illuminatively on the need of a readjustment of departmental activities, some of them overlapping and many of them "bumping." Here he points to a field for profitable investigation by the new Efficiency Commission.

That body will find much to engage its attention also in salaries and fees, now paid under an antiquated system that obstructs both efficiency and economy in the public service.

County budgets, a uniform State and county accounting system and an operating audit are requirements suggested by the deficiencies of the present slipshod methods of misdoing public business.

The laggard geological survey and the criminal neglect of forestry are depressing proofs that Kentucky, which should be in the front of the march of Twentieth Century progress, still has one foot in the grave of the last century. Potentially one of the richest States of the Union in natural resources, its riches are unavailable to itself and unknown to the world because of the lack of a comprehensive geological survey; while originally one of the richest States in forests, it is steadily approaching forest pauperism.

What may be done by putting the business of Kentucky on a business basis is well indicated by what has been done by the Department of Charities and Corrections, the only department of Kentucky's business that has been taken out of politics. Handicapped as the Board of Charities and Corrections has been by inadequacy of funds, it has worked wonders, not only for the institutions under its care, but as auguries of what may be expected in other departments of the Government when they too are taken out of politics.



Mr. Armentrout has now laid before the people of Kentucky an exhaustive review of the conduct of their Government during the last fourteen years. While they have realized its shortcomings in a general way, they have not understood the facts in detail as Mr. Armentrout laboriously has dug them out and intelligently has analyzed them. Those facts are facts, not merely charges bandied by partisans of one political party and another. They are not to be refuted. So far as The Courier-Journal has seen, they have nowhere been denied or questioned. In beginning their publication this newspaper invited the correction of any mistakes that might be detected. That invitation still stands.

Now that they have the facts, it is for the people to say what they are going to do about them. The least that they can do is to study the facts with open minds. Doing less, they will be estopped in future from complaining of bad government. Studying the facts will convince them of the necessity of applying a heroic remedy, if bad government is to be replaced by good. But nothing will come of that conviction unless it be followed by the further conviction that the remedy must be applied by the people themselves.

The remedy, it will be agreed, is a business administration of the business of government. As Mr. Armentrout reminds us, far and away the biggest business in Kentucky is Kentucky's business of government, and the Governor is, or should be, the head of that business. "The Governor of Kentucky has the biggest job in the State; not only because 'the office is the highest honor within the gift of the people' and the incumbent is the current outstanding candidate of his party for the United States Senate, but also because the State itself, of which he is the head, measured by every scale, is the biggest thing within its own boundaries, and his position is vested with power and responsibility exceeding any other in civic or industrial life."

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There is no exaggeration in that, though its truth is not properly appreciated. The Governor should be a big man to run the biggest business in the State. One reason why he does not run it satisfactorily is readily suggested by the reference in the foregoing quotation to the United States Senate. The business which has first call on the talents of the average Governor is the business of politics rather than the business of the State. That will continue to be the case until the people take the making of Governors into their own hands. They must make the next Governor of Kentucky, or the "Lobby," "Invisible Government," "Court House Government," will make him. No man now can lift himself into the Governor's chair solely by his bootstraps. Somebody has got to put him there. If the people don't do it, somebody else will.

There is a paragraph in Mr. Armentrout's concluding article which is worth rereading in this connection:

The "blocs" at Washington reflect the will of organized industries, which had their counterpart in organized farmers, women and educators at Frankfort. And they were effective at the 1922 General Assembly. Theirs may not have been "the voice of the people;" but they were the united voices of several thousand people—about its nearest approach that had ever penetrated to the halls of legislation—and they made the vocal efforts of the demagogue sound pitifully strained and thin.

What is needed in Kentucky—what is imperative if we are to have better government than that which Mr. Armentrout has described—is a "people's bloc;" not class blocs, but a bloc of the people. When that gets under way no other "bloc," no other "government," invisible or aggressively aboveboard, will be able to withstand it.

If the people of Kentucky want good government they must "go get it." And the first step they must take to get it is to draft in each political party the right man for Governor. That done, they should draft the right men for a Legislature that will co-



operate with the Governor for business instead of for politics.

"Draft" is the word, in both instances. Let that be borne in mind. No more now than in the days of Josh Billings do cows back up to be milked.

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### MUCH FOR LITTLE.

(The Times Editorial, July 5, 1922.)

Modern State government calls for large expenditures. Kentucky could not be served by the pittance which formerly made up the revenues of the Commonwealth. The State debt and the State's obligations, while large, are not alarming, considering the resources of Kentucky. But Kentucky should be receiving something in return for tax payments and the debt should represent expenditures worth the money.

These conclusions naturally come from reading the study of Kentucky's business status by Mr. Armentrout, Frankfort correspondent of The Courier-Journal. The people of Kentucky are willing to pay taxes, but they want something for their outlay, and they demand, too, that the burden be distributed fairly.

The celebration of Independence Day gave many thousands of Kentuckians an object lesson in what is being done with the road funds which are supposed to help to construct and maintain highways throughout the State. As far as Louisville is concerned, the lesson showed that the principal places of interest to holiday makers were inaccessible, excepting that the Bluegrass region could be reached by way of the Shelbyville Road which is narrow and, in places, perilous. To go to Mammoth Cave is a task for the adventurer; to reach Lincoln Farm is to overcome difficulties which deter all but the most daring. The evidence is that the road taxes are not spent to the best advantage.

Those who take an interest in the penal institutions should visit them. These places where the public charges are kept are worth studying as antiques. But they fail to reflect the expenditures of large sums taken by

the tax gatherers. They are a physical denial of the truth in political promises to give to Kentucky institutions the modern improvements and facilities worthy of a great State.

In today's installment of the Armentrout series is an enlightening summary of tax assessments as they apply to land and franchises. The corporate interests of the State have been favored, while the farmers and other realty holders have had to pay through the nose.

There has been a cry for a reform in the tax law, but careful perusal of the law shows that if the terms were carried out they would meet all requirements of fairness. Certainly there is no commandment in the present law that coal properties be pampered, or that the railroads and telephones should be favored by reductions in assessments when the State board is impelled to demand that county boards force up the valuations of overtaxed rural holdings. The fault is not in the law, but in its application. The law cannot enforce itself. With good roads, modern institutions, good schools, with government so fairly conducted that outside capital would be drawn to Kentucky, this State could meet all tax requirements and not feel unduly burdened. Prosperity would cover the Commonwealth and there would be pride in meeting the governmental expenses. Improved business would offset the tax requirements.

But Kentucky is getting deeper into debt, the roads are getting worse, there is no assurance that the schools will improve, and there is no real promise that the tax burdens will be more equitably imposed. That is, unless the people of Kentucky get some iron into their souls and demand an actual change in the transaction of the business of government.

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### THE NEXT GOVERNOR.

(The Times Editorial, July 11, 1922.)

In today's issue of The Courier-Journal its State Capital correspondent, Mr. Armentrout, completed a series of articles which he described as relating to the government of



Kentucky, and which perforce related to the mis-government of Kentucky. For it is a lamentable fact that efficient State government, rare anywhere in the United States, has been particularly rare in this one. The Courier-Journal announces that the articles are to be gathered into a book together with daily editorials which have commented on them. If the opportunity for conning this breviary of State government is accepted by the citizens who should accept it between now and the day of the choosing of the next Governor, there should be real progress in defining what the people really expect and want of an administrator.

On this point The Times finds it necessary to call attention to a viewpoint peculiar to politicians which often manages to sway the public toward confining its choice to a group of men put up by the politicians themselves. In the daily introduction to the Armentrout articles The Courier-Journal carefully stated that their purpose was to "acquaint the voters with the importance and responsibilities of the office of Governor of Kentucky and the character of man the position demands." The newspaper added that the series was "not published to promote or to thwart" the candidacy or honorable ambition of anyone to be Governor. The series sprang from a sincere desire on the part of the publisher of these two newspapers to bring about efficiency in State administration and improvement in the condition of the people. It was consistent with previous editorials declaring that the right kind of man for Governor may have to be drafted. It was consistent with the purposes which have resulted in the successful establishment of the Burley Growers Co-operative and are promoting now the establishment of the Dark Tobacco Growers Co-operative.

The reaction and strategy of politicians against these purposes and expressions have been typical. Unwilling to aid in any movements which

would take the government out of the hands of the professionals, they have endeavored to make it appear that all public activities on the part of the publisher of these newspapers have been designed to obtain for him the office of Governor. An article has been prepared in which imagination vies with the politicians' typical distrust of all honest motives to produce a false document. This article purports to reveal a plot whereby Judge Bingham, vowing and professing a settled determination not to hold public office, is nominated in the name of the tobacco growers in a dead-locked convention, and, after hesitation, accepts the nomination. The fact that Judge Bingham has repeatedly given his word to the people of the State that there is no public office which under any conditions he would accept is not accepted by the politicians because they do not understand how any man in public life can find office repugnant to him. The fact, also, that this propaganda is being used by selfish business interests adversely to the western co-operative movement is a matter of indifference to them in their effort to confine the choice of a Governor to men of their own stamp.

The Times is able, without fear of the possibility of any contradictory circumstances, to give its bond to the people of Kentucky that this inspired article with its rigmorale and its "plot" will never in any particular prove prophetic. Judge Bingham will not only not accept nomination or appointment to any public office, but he will not allow his name to be considered. He will repudiate, if occasion demands it, any use of his name. He will not accept the nomination if it is unanimously tendered, and he will not yield to any pressure which may be brought in this direction. As a newspaper publisher he holds to the ideal that office is not for him because he can accomplish more for the good of the State by asking and accepting nothing for himself. As an individual with work to do in the world, the limits of public office are to him distasteful. He will remain a worker in the ranks, seeking only the efficient conduct of the government of the State and locality from whichever party seems



most qualified to give it. The inspired article which is being reprinted in various newspapers as part of a propaganda against the achievement of good government in Kentucky by the selection of a man best qualified to render it is not only false as the reflection of a "plot," hope or desire, but inevitably false as a prophecy,

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### **MORE UNMAPPED RICHES.**

(The Times Editorial, July 14, 1922.)

Presented as a concrete example of loss of service through maladjustment of departments, a paragraph about the State Law Library at Frankfort in The Courier-Journal's recent series of articles on the State government is worthy of more than casual passing mention. The statement was made that the Law Library, without a trained librarian in it, possesses thousands of volumes of valuable Kentucky statistics and lore, neither classified nor catalogued. The while, the same paragraph relates, across the building from this cache of information, is the Kentucky Library Commission and its trained librarians, who could classify and catalogue these books for reference and put many of them in circulation through its traveling sets.

This situation, no fault of the State

Librarian, no doubt, is typical. It certainly has its parallel in the Geological Survey. These books, of inestimable value, but unavailable for reference, are exactly like Kentucky's wealth of unmined minerals. The books will never be of use until a trained and skilled librarian classifies and catalogues them; and the mineral wealth of Kentucky will never be systematically, economically and extensively developed until a geologist maps their location, defines their bounds and chemically analyzes their constituent elements.

There is this more to be added about the books: there are, perhaps, gaps in the collection, that should be filled before it is too late. Only a trained librarian, going ahead of the historians as the geologist must precede the engineer in developing mineral resources, can discover the lack of continuity in the records and supply what is missing.

For a State in which pride of nativity is so marked, Kentucky is shamefully neglectful of its sources of historical data; and in these days of rampant internationalism, whatever conduces to love of home and State and country should be not only treasured but made accessible to the public. The next General Assembly has a duty to perform in furnishing the Kentucky Library Commission an opportunity to extend its service.



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